

NOMINATIONS

Executive nominations received by the Senate December 22 (legislative day of December 21), 1931

FOREIGN SERVICE OFFICERS, UNCLASSIFIED, VICE CONSULS OF CAREER, AND SECRETARIES IN THE DIPLOMATIC SERVICE

The following-named persons to be Foreign Service officers, unclassified, vice consuls of career, and secretaries in the Diplomatic Service of the United States of America:

Stephen E. Aguirre, of Texas.

Overton G. Ellis, jr., of Washington.

CONFIRMATIONS

Executive nominations confirmed by the Senate December 22 (legislative day of December 21), 1931

MEMBER OF THE FEDERAL POWER COMMISSION

Claude L. Draper to be a member of the Federal Power Commission.

ASSISTANT ATTORNEY GENERAL

Roy St. Lewis to be assistant Attorney General.

UNITED STATES DISTRICT JUDGE

James Alger Fee to be United States district judge, district of Oregon.

MARSHAL OF THE CANAL ZONE

John T. Barrett to be marshal of the Canal Zone.

COAST GUARD

Robert B. Adams to be engineer in chief.

HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 22, 1931

The House met at 12 o'clock noon.

The Rev. John Compton Ball, of the Metropolitan Baptist Church, of Washington, D. C., offered the following prayer:

Our Heavenly Father, we come to Thee at this time recognizing Thy majesty and greatness and power, regnant over all nature; and we pray that our wills may be dominated by Thee; that every thought and word and act, and the duties of the day and the hour, may be to Thy good pleasure. We are not unmindful of the fact, O God, we are approaching that time of the year which marks the bestowing of the greatest gift upon the world that it has ever known; and we come to praise Thy holy name for this invaluable gift, this unspeakable gift. We thank Thee that our Lord Jesus Christ was born as a babe; that He came not as a full-grown man like Adam, for had that been so we might have thought He did not understand our nature, but coming as a little child and growing to a splendid boyhood and to a matchless manhood He can enter into our lives at every point and every age. We pray that the sweet spirit that dominated Him may dominate our land and every heart, from that of the President of the United States down to the humblest citizen, from the oldest to the youngest; and that the great spirit of charity and love may spread over all our land, and that the song of the angels may be ours—Glory to God in the highest and on earth peace, good will to all men. For His sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on December 21, 1931, present to the President, for his approval, joint resolutions of the House of the following titles:

H. J. Res. 141. A joint resolution to provide additional appropriations for the Veterans' Administration for the fiscal year ending June 30, 1932; and

H. J. Res. 142. A joint resolution making an additional appropriation for the Employment Service, Department of Labor, for the fiscal year ending June 30, 1932.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 194. An act for the relief of Jeff Davis Caperton and Lucy Virginia Caperton;

S. 241. An act for the relief of Donald K. Warner;

S. 243. An act for the relief of S. F. Stacher;

S. 258. An act authorizing adjustment of the claim of H. E. Hurley;

S. 468. An act for the relief of the estate of Benjamin Braznell;

S. 551. An act for the relief of Blanche Broomfield;

S. 930. An act limiting the operation of sections 109 and 113 of the Criminal Code with respect to counsel in the case of the Appalachian Electric Power Co. against George Otis Smith, and others;

S. 1214. An act to carry into effect the finding of the Court of Claims in the claim of Elizabeth B. Eddy;

S. 1306. An act to provide for the incorporation of the District of Columbia Commission, George Washington Bicentennial; and

S. 2077. An act to relieve the Commissioners of the District of Columbia of certain ministerial duties.

The message also announced that in accordance with the provisions of House Concurrent Resolution 4, the Vice President had appointed Mr. FESS, Mr. CAPPER, and Mr. GLASS as members on the part of the Senate of the joint committee to make arrangements for a celebration in the House of Representatives on February 22, 1932, of the two hundredth anniversary of the birth of George Washington.

INCREASE OF FREIGHT RATES

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a short statement I submitted to the Interstate Commerce Commission on August 11 last, protesting against the increase in freight rates.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. HARE. Mr. Speaker, under the leave to extend my remarks in the RECORD I include a statement submitted by me to the Interstate Commerce Commission on August 11, 1931.

The statement is as follows:

In registering my protest against the proposed increase of 15 per cent in freight rates I am not unmindful that the railroads or transportation companies have suffered seriously during this economic depression, but we should not forget that there are others who have suffered just as much and many a great deal more, all of whom are entitled to the same consideration at the hands of our Government. I want to state further at the outset that, in the economy of production and distribution, the carrier has no greater natural right to existence or a guaranteed income from its efforts or investments than the producer.

On the other hand, if there is a superior or prior right to any special consideration or inducement that right must of necessity be resolved in favor of the producer, because his activities and contribution to the economy of mankind existed long before the services of a carrier was needed.

But, Mr. Chairman, it is not my purpose at this time to discuss the relative importance of these two great factors in the economy of man, for they are both extremely vital, and I might say indispensable, under our existing standard of civilization. However, if certain types or classes of producers are to continue to exist, some one must see to it that the market value of their labors are not wholly absorbed by the carrier or distributor. On the contrary, if the Government or any governmental agency should attempt to determine or regulate the value of the efforts or services of either, it should be just as considerate of the one as of the other.

Just at this time both are suffering great financial losses, and if there was ever a time when conditions demanded sympathetic cooperation between the producer and the carrier it is now; and I do not think that there has ever been a more inopportune time for the carrier to ask or demand a higher price for his services than at present. The natural and logical thing under the circumstances would be a reduction in freight rates instead of an increase. The price or market value of everything has decreased except freight rates. The value of man's labor has decreased 100 per cent in some cases, from 10 to 50 per cent in most cases, but the carrier in this case takes the position that it is entitled to a

fixed income and, therefore, must have an increase in freight rates in order to make it.

In this connection I want to repeat that naturally it is not entitled to a fixed income any more than the producer, and the commission should not lose sight of this fact in its deliberations and conclusions. In the light of my observations and experience an increase in rates now will certainly result in a decrease in business or volume for the carrier and very likely a decrease in total income to the railroads. If this is true, the producer will certainly be a loser, particularly those engaged in agriculture, a class of producers who have contributed more toward the support, upkeep, maintenance, and prosperity of the transportation companies than any other class. Right now farm products in different parts of the country are going to waste in the fields, and we hear that there are thousands or even millions of people in cities who are suffering for lack of food. Why? It is all because the rate for the services rendered in transportation is more than the market value of the labor entering into the production of the commodity and is greater than what may be termed the corresponding purchasing capacity of the consumer. As a consequence the commodity fails to move and both producer and carrier are losers. An increased rate in freight will mean that additional crops or commodities will remain in the field, resulting in additional losses to the producer and carrier. It will be admitted that there is a pronounced decrease in the cost of production of most crops. If there should be a corresponding decrease in the cost of transportation, many of these commodities or crops could move from field to market and consumption of same greatly increased.

I understand the railroads are saying that they are suffering on account of serious competition from motor-bus lines; that a large per cent of the freight formerly carried by the railroads is now being hauled by truck, and that an increase in freight rates is necessary in order for the railroads to maintain a certain or definite income. I do not doubt but that the motor truck is carrying much that was formerly carried by the railroads, because they are carrying it cheaper, and it is my judgment if you increase the freight rates the motor truck will carry a much larger proportion of the freight than at present. An increase in freight rates will not add one pound to the volume of freight carried by the railroads. It will give the motor trucks an opportunity to increase their rates and at the same time increase the volume of business in competition with the railroads, which will operate to the loss or injury of the producer; for, in the last analysis, the producer always pays the freight regardless of who carries it. An increase of rates at this time will, therefore, be a great loss to the producer, and he is unable to afford it.

PROPOSED AUTOMOBILE TAXES

Mr. CLANCY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the President's message and on law enforcement and taxation.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CLANCY. Mr. Speaker, the Congress is now considering proposed heavy, unjust, and exorbitant taxes on automobiles, autotricks, parts, tires, and accessories.

The automobile industry is the key industry of the Nation, and realizes that the imposition of these taxes, which would amount to about \$80,000,000 for the next fiscal year and as much as \$200,000,000 in prosperous years, would not only be a terrific blow to the automotive industry itself but would retard the recovery of many other important industries in the country.

The automobile industry staged legislative battles beginning in 1923, which was led by myself, to kill the odious war-exercise taxes similar in nature to these taxes proposed this year by the Treasury Department, and in successive cuts by Congress in 1924, 1926, and 1928 they absolutely killed all the war-exercise Federal sales taxes on autos, trucks, parts, tires, and accessories.

But the resentment shown by the spokesmen of the industry and the owners of the cars and the accessory businesses dependent upon the industry was mild from 1923 to 1928 compared to the fierce anger which these leaders show now as the industry is attacked just when it is on its way to recovery. Moreover, the auto industry is generally accepted as the one to lead all the other industries of the country to recovery.

AIDS OTHER LEADING INDUSTRIES

The automotive industry is the biggest industrial enterprise of the Nation, but it aids by purchases of material other important industries, as follows: Steel, 15.5 per cent; aluminum, 17.4 per cent; copper, 14.8 per cent; rubber, 82.6

per cent; lead, 26 per cent; nickel, 30 per cent; gasoline, 85 per cent.

Many other great industries are aided, such as the lumber industry, which, for instance, sells a billion feet of lumber per year to the auto industry.

The railroads are tremendously benefited by an enormous amount of revenue from carrying the raw materials to the factories and then transporting the finished product or the knocked-down product to the consumer and the assembling depots.

Steamship lines profit tremendously from the automobile industry.

The New England States, and particularly Connecticut, profit vastly through manufacturing and selling machinery to the auto industry.

ALL STATES AIDED BY AUTO INDUSTRY

There are automobile and accessory factories in 41 of the 48 States. Each of the 48 States furnishes from 2 to 17 per cent of the raw materials of the automobile industry.

Four million working men and working women make their living through the automobile industry, and, as it is fair to presume that each working person is supporting at least three or four dependents, about 15,000,000 men, women, and children are supported directly or indirectly by the automobile industry.

Contemplate the stupendous sum spent by the automobile industry for advertising, which is another aid to American business.

COURAGE, ENTERPRISE, AND PATRIOTISM

No American industry during the terrible depression has shown the audacious courage, the daring enterprise, and the unparalleled patriotism which the automotive industry has demonstrated time and again since its inception only a few years ago.

Every American should be stirred to pride by the challenge to a sick and depressed world flung at the annual automobile show in New York City a few days ago.

The amazing record was made in the worst period the automobile industry has ever had by producing 217 new models, practically all of them giving increased values at decreased selling prices.

This most sensational gamble of all industrial history was made while practically all the companies were "in the red" and were daily losing money.

The new models meant the junking of many millions of dollars' worth of practically new machinery and the installation of newer machinery, tools, jigs, dies, stamps, drills, and so forth. Some of these individual pieces of machinery were enormous in size, and they cost until they hurt. Millions of dollars' worth of parts and accessories in stores and depots all over the United States went to the junk heap when these new models were issued.

The big investment of the automobile manufacturers already made was jeopardized, and an enormous added investment was hazarded. The Rubicon was crossed, the die was cast, and the Caesar of the industrial world is marching on the citadel of depression.

The largest possible number of employees and distribution of work was made by bringing men in this vast imperial progress.

AUTOS NOT LUXURIES OR SEMILUXURIES

The Treasury Department, in its strange hostility to the automobile industry, has insisted for years that the automobile and autotruck are luxuries or semiluxuries and are to be classed in the same category with cigarettes, soft drinks, candy, jewelry, moving-picture houses and other theaters, and so forth.

Every student of political economy knows that the necessities of life are food, clothing, fuel, shelter, and transportation. It is only the Treasury Department experts who claim that transportation is a luxury. Yet they modify this attitude by saying that the horse and buggy and wagon are not luxuries or semiluxuries, and that the railroad freight car, passenger car, and locomotive are not luxuries. They say

that the freight or passenger airplanes are not luxuries or semiluxuries.

They declare that the freight or passenger vessels are not luxuries, but in the rulings they have said that some pleasure yachts are luxuries and especially the larger pleasure yachts, which, of course, everyone knows are luxuries.

The automobile which competes with all of the above and which has largely displaced the horse and buggy and wagon is declared, however, by the Treasury Department to be a luxury or semiluxury.

Recent statistics of the Census Bureau show that a surprisingly large number of automobile trucks are owned and operated by farmers. Four million cars and 26 per cent of all motor trucks are owned by farmers. As I recall the figures, about 80 per cent of the farms in the Middle West, for instance, have autotrucks. All the garden truck farmers living near the cities have autotrucks instead of horses and buggies, and life has been made tremendously easier and the business more profitable by substituting the autotruck for the horse and buggy.

On the farms, the cheap, hardy, passenger automobile often serves as a truck in carrying commodities as well as the family to and from the near-by towns.

The great farm organizations of the United States have taken the attitude that the automobile is not a luxury or semiluxury and is an absolute necessity of life to the farmer.

Accurate statistics show that two-thirds of all car buyers have annual incomes of \$3,000 or less and that more cars are sold to persons having incomes of fourteen hundred dollars or less per year than to those having \$7,000 or more.

TAXES

The Treasury Department has always maintained, especially under Secretary of the Treasury Mellon and Under Secretary of the Treasury Mills, that the automobile is escaping taxation and should be taxed more. Statistics show that the owners of 26,000,000 motor vehicles paid almost a billion dollars in special motor taxes in 1931. Also, they paid large sums in personal property and other general taxes. They are subjected now to gasoline, registration, wheelage, and other special taxes, including such levies as those on drivers' permits and license taxes.

AUTO AND RAILROAD TAXES

Mr. Mills and also Mr. Mellon have continuously argued before Senate and House committees that the railroads are more heavily taxed than the automobile industry. Their statements are not true, and the automobile industry is far more heavily taxed than the railroad industry; and the auto industry is the most heavily taxed necessity industry in the country.

For instance, the railroads pay only \$400,000,000 per year in real estate and property taxes, whereas the automobile industry not only pays real estate, property, and other general taxes, but it pays a billion dollars per year in sales taxes.

It is particularly distressing to me to set the railroad industry off against the automobile industry, as Ogden Mills has often done. Andrew Mellon is guilty of the same offense.

The automobile industry can not be permanently injured by such antagonisms, and Mr. Mills and Mr. Mellon are inviting trouble for the railroad industry when they endeavor to create friction and antagonism between the two industries. The automobile industry simply refuses to get into a row with the railroad industry, and every automotive leader that I have talked to is very anxious to help and assist the railroads in their difficulties rather than to hinder or harass them.

That is certainly my attitude and I want to be of all possible aid to the railroads in their endeavor to get legislative assistance. Recently, I voted for the \$2,000,000,000 reconstruction loan bill, which is designed primarily to assist railroads.

THE MOTIVE FOR THE AUTOMOBILE TAX

But, unfortunately, the arguments of Mr. Mills and Mr. Mellon that the automobile industry must be crippled by heavy taxes to assist the railroads must be faced, as they

have made a heavy impression upon many Congressmen and Senators with whom I have talked. These legislators have been misled into believing that automobiles must be heavily taxed to assist the railroads.

Congressional hearings and records show very bluntly this form of attack. For instant, Ogden Mills, the Under Secretary of the Treasury, spoke with all the power of the administration behind him in 1928, when the administration party was in control of both the House and Senate, assumed this false and damaging line of reasoning. Mr. Mills said before the House Ways and Means Committee in 1928:

The automobile is one of the railroad's chief competitors. Is it quite fair to ask the railroads to contribute to the construction and maintenance of the roads on which their rivals operate, while exempting the latter from any contribution?

Once the automobile tax is repealed it can not be reimposed in time of peace.

We have eliminated most of our excise taxes. There remain for revenue purposes the excise tax on tobacco and automobile sales, the admissions tax, and a few stamp taxes. All of these should be retained in the interest of a well-balanced tax system.

Moreover, Mr. Mills issued a statement December 29, 1931, in an effort to bolster up his crusade, and asked, "Can anyone seriously complain * * * if even automobiles cost a trifle more?" His "trifle" consists of a tax amounting to about \$200,000,000 per year placed upon the purchasers of automobiles and trucks.

MR. MILLS'S "TRIFLE" TAX

His proposed rates are a 5 per cent sales tax placed upon the purchaser of an automobile, a 3 per cent tax on trucks, and a 2½ per cent tax on repair parts and accessories. These "trifles" would place an intolerable burden upon the auto manufacturers and upon the purchasers of autos.

The auto manufacturers spend a vast amount of money in research because they figure that if they cut the cost of the production of the auto by only \$50 they increase tremendously their sales, yet Mr. Mills proposed to offset these aids and economies by his "trifle" tax.

It is proper to place the responsibility for the auto-tax proposal upon Mr. Mills alone, because it is the understanding of prominent leaders of the auto industry that neither the President nor even Secretary Mellon sponsored the tax whole-heartedly or enthusiastically and that their consent to consider it as an administration proposal was forced upon them by Mr. Mills, who has always been the bitter and uncompromising enemy of the automobile industry. When he was a Member of Congress from New York Mr. Mills filled pages of the CONGRESSIONAL RECORD with his savage attacks upon the key industry of the country, namely, the automobile industry, and upon a means of cheap and rapid transportation which is of the highest importance to developing the Republic and lightening the burden of tens of millions of the American people.

FIERCE COMPETITION

Mr. Mills criticized from 1923 on the automobile industry as not being governed by economic laws nor the laws of supply and demand and the same laws which govern other industries, because it made a few men very rich and captains of industry in a shorter time than the leaders of other industries.

I led the fight against Mr. Mills in the House in 1923 and 1924, and I pointed out that there is nothing supernatural about the automobile industry, and that it is governed by the same economic laws as other industries and commodities, and predicted that while there were 300 automobile companies in 1924, that in a few years honest but fierce competition would cut the number in a startling fashion. To-day I have not the figures available, but there are probably not more than 30 automobile companies in this country. It shows the tremendous mortality since Mr. Mills made his intelligent analysis in 1924. In other words, there has been about a 90 per cent mortality, and about 270 automobile companies have gone to the wall, bringing ruin to many investors and sponsors.

To-day there are captains in the automobile industry who are facing absolute ruin and are making desperate efforts to save their plants for the benefit of the country, as well as for

themselves and for thousands of their workingmen. Two years ago more than one of these captains of industry could conservatively say that he was worth \$100,000,000 or \$200,000,000. To-day no business man in the country is more worried or harassed than these automobile manufacturers who face absolute ruin.

Some of the leading automobile dealers of the country who two years ago rated their wealth at over a million dollars now say that they probably can not hold out more than a year before being forced into bankruptcy or retirement.

The dealers with their regiments of sales agents face the future bravely, they hold their weekly pep meetings and tackle their problems with terrific force, acute intelligence, and an unflinching courage, but nevertheless they are not selling the cars.

AUTO INDUSTRY NOT SELFISH

But if you want to hear a real scream of heartfelt rage and agony, you repeat to them Mr. Mills's glib statement about his devastating tax proposal being a mere "trifle." Also, in Mr. Mills's statement of December 29, 1931, he accuses Members of Congress of "doubtful morality" in their tax proposals; but what of the "doubtful morality" of Mr. Mills in singling out only one transportation industry for tremendous taxes? He refused to propose a tax on other transportation interests which compete with the automobile industries. The United States Government, and rightfully so, is granting heavy subsidies to the airplane industry, and directly and indirectly is spending many millions of dollars in developing both the lighter-than-air and heavier-than-air craft. The mail subsidy alone amounts to \$20,000,000 per year, but the automobile leaders do not complain of that nor do they suggest a sales tax on passenger or freight aircraft—mark you, neither does Mr. Mills. The auto people rejoice in that.

NOT ATTACKING COMPETITORS

The railroads were granted by the United States Government billions of dollars in real estate and in land grants, but no one ever heard the automobile leaders complain of those subsidies. Nor have they heard the automobile leaders propose a sales tax on freight or passenger cars, Pullmans, private cars, or locomotives. Neither has Mr. Mills proposed a sales tax on these transportation utilities. The automobile leaders rejoice in that.

The United States Government has spent over a billion dollars of the taxpayers' money on rivers and harbors, inland waterways, canals, locks, and so forth, but the automobile leaders have not complained of that. They have never suggested a sales tax on freight or passenger vessels or any form of tolls through canals or locks. Neither has Mr. Mills done so, to our knowledge. The automobile leaders rejoice at that.

Mr. Mills predicted in the hearings before the House Ways and Means Committee when he was a member thereof that if the automobile taxes were killed through the protests of men like myself, that the country would never see these sales taxes put back again on the automobile industry in peace times. He knew the Congress would not reestablish these unjust and exorbitant taxes, because it would be committing a mistake if it did.

A BATTLE TO THE END

But, meantime, the automobile industry and its friends are taking nothing for granted and will continue their resistance to Mr. Mills's auto-tax plan to their utmost. The 26,000,000 owners of automobiles and trucks in this country and the probable purchasers of new cars will be mobilized to give voice to their protests to their Congressmen and Senators. The 11 great automotive organizations, including the owners of cars, the manufacturers, the accessory, taxicab, rubber, and bus interests, and so forth, will protect themselves.

The farmers and those living outside the cities and villages have found the automobile and its development of good roads their best friend, and representatives of the farm organizations are swinging into the fight against Mr. Mills's proposal even as they did in 1923 and 1924 and have within the

past few days already denounced the tax before the Ways and Means Committee.

Victory seems assured for the owners of automobiles and trucks, but they and their representatives will take no chance on anything being slipped over on them and will not relax their vigilance.

AUTO TAX NOT A TRIFLE

To prove that Mr. Mills's proposed auto taxes are not a trifle take the production figures of 1931 for passenger cars, motor trucks, and parts, tires, and accessories, and they show that Mr. Mills's proposed taxes would result in a revenue of \$78,200,000.

But 1931 was a bad year, and even with difficult times the industry thinks it will sell 10 per cent more cars this year.

However, there are at least 6,000,000 cars being operated to-day in the United States which should be replaced by new cars, as they are antiquated and quite worn out. In good, prosperous years Mr. Mills's proposed taxes will run \$200,000,000 or more per year.

On this 1931 production, I insert the following table to show just how the taxes in detail would be raised:

Passenger cars.....	2,045,000
Wholesale value.....	\$1,175,000,000.00
Average value.....	575.00
Tax, at 5 per cent.....	28.75
Total tax.....	58,750,000.00
Motor trucks.....	420,000
Wholesale value.....	\$260,000,000.00
Average value.....	619.00
Tax, at 3 per cent.....	18.57
Total tax.....	7,800,000.00
Parts, tires, and accessories.....	666,000,000
Tax, at 2½ per cent.....	\$16,650,000.00
Total tax.....	83,200,000.00
Deduct for Canadian sales.....	5,000,000.00
	78,200,000.00

In conclusion, remember that there are three parts to the automobile tax. It is absolutely true that a tax on motor trucks is the most indefensible of all these three taxes, because the motor truck by the wildest flight of fancy or imagination can not be considered a luxury or semiluxury.

Moreover, the tax on parts, tires, and accessories is a misfortune or nuisance tax. If a man breaks a part or wrecks a tire, he is charged a tax for its replacement on his misfortune.

When I led the fight to kill these three forms of taxes in 1923 I found that the entering wedges were the motor-truck tax and the parts tax, as members of the Ways and Means Committee were forced to open their minds to the truth that these taxes are absolutely indefensible from any economic or patriotic standpoint.

The tax on passenger cars is, of course, highly indefensible when other fields of taxation are left untouched. It should be only assessed in war time, as Ogden Mills practically admitted in 1928 when he said that if Congress killed these automobile taxes they could never be assessed again in this country in peace time.

AN INVITATION FROM FLORIDA

Mr. GREEN. Mr. Speaker, I ask unanimous consent to proceed for two minutes.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GREEN. Mr. Speaker and my colleagues, we are rapidly approaching the Christmas season, which is the most joyous and greatest of all. Significant to all civilized Christian people in what it means to them, somehow at this season of the year there is a different feeling in the hearts of all mankind—that feeling of the love of home and the highest spiritual sentiment. I judge that many of you look forward to spending these Yuletide hours in the quiet-

ness and pleasure of your own hearthstone; but to those of you who may find this impossible I extend a hearty invitation to come to Florida and there enjoy to the fullest extent the pleasures and contentment of my wonderful State. The best roads in the world find their way from here throughout all parts of Florida. The railroads are offering you reduced rates with best accommodations and will carry you there in 18 hours. A direct air line from here to all parts of Florida will carry you there in a very short while. At this season of the year fresh and nourishing vegetables are plenteous, her luscious fruits are abundant. A general harvest is rich, and her springs, thousands of them, are gushing forth daily millions of gallons of that wholesome, transparent, and God-given fluid sparkling with purity and virtue. One thousand and three hundred miles of coast waters with beaches are there, where the tide ebbs and flows and the gentle ocean breeze will sweep from your brow the gloom of your daily cares and troubles. If you should be inclined to play and frivolity, you will find playgrounds wide, with strains of sweet music to enrage your heart's desire. But if you would live in the sublime when the hush of night surrounds the universe, your ears will be called by the chimes ranging forth from the Bok Singing Tower when its bells peel forth the Christmas carols. There in this salubrious climate you will enjoy the bright sunshine of the clear atmosphere so charged with the life-giving ozone. When the rays of the golden sun fade in the west a pale moon will mount the eastern horizon and shed its silvery sheen upon you, upon the trees, and upon the lakes and flowers. Then, my friends, in conclusion, I extend to you:

GREETINGS FROM FLORIDA

From palm-fringed shores and sunlit bays,
Where the lakes like jewels glimmer blue,
I am extending you this greeting,
'Cause in Florida friends are waiting for you.

BALANCE THE BUDGET

Mr. SNELL. Mr. Speaker, I have had a tentative arrangement with the gentleman from Illinois [Mr. RAINEY] that we should each have about 20 minutes on the side, to be controlled by the gentleman from Illinois and myself, and that this would conclude the debate to-day. If this is agreeable to the gentleman from Illinois, I shall yield the gentleman from New York [Mr. TABER] 20 minutes.

Mr. RAINEY. Mr. Speaker, I would like to have a little more time than that; say, 30 minutes.

Mr. SNELL. That is all right.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. SNELL]?

There was no objection.

Mr. TABER. Mr. Speaker, I have felt that it was time that some one put before the country what I believe to be the absolutely necessary policy for the United States Government to follow if we are to bring back prosperity. Everyone will remember what criticism was made of England, France, Germany, Italy, Japan, and other countries of the world when they were spending more than their income. Everyone will remember that things in each of those countries, while they went along in that extravagant way, were in absolute turmoil and that no progress was possible toward prosperity for the people, but that their condition continually became worse and worse. The more they became obliged to borrow the worse they became off.

In 1926, in France, under the leadership of Raymond Poincaré, the war-time President of France, the budget was balanced. Her expenses were reduced to come within the amount of revenue she was able to raise by taxing her own people, and France began immediately to climb toward prosperity.

The nearer Italy has come to that condition, the more she has been respected and the better off her people have been.

Germany, with continuous borrowings and with an unbalanced budget, has become worse and worse. Although she spent tremendous sums for public works with borrowed money, conditions have continually become worse and worse.

Ramsay MacDonald drifted along in England until her situation reached the point where he and his party faced absolute political disaster and where England was upon the rocks. Mr. MacDonald had intelligence enough and courage enough to cut loose from a policy which all history has shown to be disastrous and fatal, and to slash the expenses of the British Government and raise the taxes to the point where they would yield the greatest possible revenue. When Mr. MacDonald took his firm stand they reduced the salaries of government employees 25 per cent, and on top of that England went off the gold standard, so that the real cut in salaries and the real cut of every employee in England was not 25 per cent but nearer 50 per cent. There was a cut of 25 per cent direct and at least another of 25 per cent indirect, and a cut in all salaries and prices of 25 per cent due to going off the gold standard.

Can we not take a lesson from England's experience and from the history of the world? Can we not see that if we go on as England did and as other countries did, and continue spending more than our income, that we are heading for a terrible disaster? Can we not see that if we do not stop spending money and get all of our expenses within our income that next year when we sit down to make up the appropriation bills and our Budget, our situation will be much worse?

I appreciate that mine perhaps is a lone voice in the wilderness, but I am expressing the sentiment and issuing a warning that I believe needs to be issued to all America at the present time. That warning is to balance our Budget or face disaster.

Balance our Budget now and we shall have taken the first great step toward prosperity, toward the upbuilding of our business system, toward the restoration of that prosperity which has been the byword of America for 150 years.

Some people have proposed a tremendous bond issue to carry on public improvements. Where are we going to sell the bonds? With an issue of \$1,300,000,000 of temporary bonds of one year, for which bids were opened yesterday, the demand only exceeded the supply by a few million dollars. We have reached the position here in America, where cities have gone so far with building programs that they are now beyond the debt limits and in most cases can not borrow any more money on bonds.

The States are rapidly approaching the same position. It will take just one more year of foolish appropriations and unnecessary bond issues to put the Federal Government in exactly that position. For one, I am violently opposed to seeing my country in that situation.

My own vote and my own effort will be spent entirely in the direction of preventing that situation from arising. We must appropriate such funds as are absolutely necessary to maintain the national defense without any waste and such sums as are necessary to make the Government function. We must also meet the necessary governmental obligations on veterans' relief which is now provided for by law. Beyond the necessary items we must cut and cut to the bone.

I do not advocate the cutting of salaries except as a last resort, but I submit this: It is much better for us who are on the Federal pay roll to take a 10 per cent cut this year, and perhaps a smaller cut in the smaller salaries, than to have to take a 25 per cent or larger cut next year because we have not met our responsibilities. It is both good business from our own standpoint and good patriotism to meet our situation now.

After this we must turn around and try to raise what money we can. We are not going to be able to do as we did in war time and attempt to place the tax on larger profits which were then being made, because there is at the present time no such thing as large incomes on a large scale such as we had in war time and have had in the past five or six years, and we need none of us fool ourselves with the idea that there is such an amount of income as there was in the years of 1925-1929, inclusive. It is not going to be a case of what tax is scientific or what tax is politically expedient, but what tax is going to be necessary which will produce money.

If we can balance our Budget or come so close to it that we are not ashamed to look ourselves in the face, we shall have made the most far-reaching step forward toward American prosperity.

Let us have courage and patriotism; let us stand up to the rack and meet America's situation face to face; let us take one sound, forward, patriotic step; let us put demagoguery behind us and by means of sound legislation, well considered, lead the way to American prosperity. [Applause.]

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following date the President approved and signed joint resolutions of the House of the following titles:

On December 21, 1931:

H. J. Res. 141. Joint resolution to provide additional appropriations for the Veterans' Administration for the fiscal year ending June 30, 1932; and

H. J. Res. 142. Joint resolution making an additional appropriation for the Employment Service, Department of Labor, for the fiscal year ending June 30, 1932.

UNEMPLOYMENT

Mr. FREAR. Mr. Speaker, I ask unanimous consent to extend in the Record my remarks on unemployment.

The SPEAKER. Is there objection?

There was no objection.

Mr. FEAR. Mr. Speaker, two schools of thought are seeking to steer our country off the rocks of unemployment. One school says that our unemployed, whether 4,000,000 men and women or double that number, must depend upon local charities aided by the Red Cross organization that has left its benevolent impress on the disasters and suffering found in every land.

No one will seek to discredit the charities afforded in national emergencies by the Red Cross, Near East Relief, American Relief, and other associations. The latter extended a helping hand to Russian famine districts in 1921, to Austria, China, and to all countries of warring Europe indiscriminately. Its aid and benevolences, more than its soldiers and sailors, have left for us lasting gratitude on the part of Europe and Asia.

From the lips of Chicherin and other high officials of Russia, from President Michael Heinich, of Austria, from Cuno and Hermes, of Germany, in her dark hours following the war, from Sun Yat Sen, the great patriot of China, and others, when in those countries, I have heard expressions of their gratitude to our own country for relief during their hour of need.

These expressions repeated many times elsewhere leave no uncertainty of American leadership in the great field of world charities. America has responded nobly to every cry for help from the distressed of every land, including our own.

As a joint partner in this humanitarian work, supplying an emergency Federal, State, and local aid supplementing temporary charity, I offer a bill that amplifies benevolences by furnishing constructive labor with just compensation for a jobless army.

PROVISIONS OF BILL

My bill (H. R. 4552) for meeting the unemployment situation provides for a permanent Federal commission of three Cabinet officers acting ex officio with a skeleton organization, excepting in cases of emergency, when the Federal Government is requested to aid local unemployment.

It provides whenever petition is received from any State for contribution to meet local unemployment with notice that the State has made like provision for an unemployment agency, the Federal commission may consider applications from any municipal corporation in that State for contribution toward the construction of specified local municipal improvements. The Federal commission may contribute not to exceed 20 per cent of the cost of the local improvement to be matched by 20 per cent contributed by the State govern-

ment, the balance to be borne by the municipality for which the improvement is to be constructed.

Provisions for safeguarding the money so contributed by the commission, character of the local improvement, control and manner of payment of money and other requirements are briefly set forth.

The Federal Government by contributing \$100,000,000 in any great emergency would thus employ five times that amount in the construction of municipal improvements; the State through its cooperation and equal contribution would assume supervision of construction and thus avoid what might be undue demands by any one locality.

Restriction in the amount paid by the Federal Government of \$1,000,000 to any municipality and of \$5,000,000 in any one State from the \$100,000,000 appropriation would thus provide five times that amount and safeguard any attempt to absorb the appropriation by one or more States. This aid would be in force only during the declared emergency. Not to exceed \$50,000 shall be expended annually for commission's investigations, excepting during the period of the declared emergency.

It answers the proposition that a man or woman asking for work should not be compelled to depend on public charities or beg for aid when out of a job. Wives, children, and other dependents must beg for that aid to-day, and humiliation in so doing is not understood by those blessed with a job or competence.

THE RIGHT TO WORK

Our declaration of rights asserted that all men are born equal, with inalienable rights of life, liberty, and the pursuit of happiness. For those rights colonists fought at Valley Forge and Yorktown. By what reasoning can we justify sending a willing worker to the soup-house or to some other charity when work, not charity, is needed and asked for?

Workmen's insurance, unemployment insurance, and other aid is all preferable to begging for charity, but I submit these do not meet the requirements of those asking for work instead of charity.

From the lips of English laborers, when in that country, I learned their belief that the "dole" encourages idleness and dishonesty by substituting financial support for work. Instead of building a self-dependent manhood and womanhood for citizenship, the dole was declared to encourage slothfulness, hypocrisy, and dishonesty. However worthy its purpose, I learned that was the result.

ACCUMULATION OF WEALTH

All the millionaires in this country of ours could have been counted on the fingers of two hands, possibly of one hand, a century ago. To-day their number reaches many thousands, while men possessing \$1,000,000,000 in wealth are beginning to rival in number our millionaires when the Constitution was adopted. Although in this time of business depression few men know their exact holdings, which illustrates the adage that riches have wings, money is only useful for the comforts and opportunities it brings to its holder and to the people who are permitted to enjoy it.

Neither a billionaire nor a millionaire who has acquired his wealth under our beneficent laws needs vast wealth, for when our forefathers wrote that all men have inalienable rights of life, liberty, and pursuit of happiness, they intended to say that every man, not the few, had full protection under our law to those rights.

It can not be said that a thousand-fold all the wealth of Cæsar must be kept intact and protected to one man and charitable relief afforded another without inviting the inquiry, Is that the purpose of our widely heralded democracy?

In this day of financial extremes, where men of wealth satisfy their consciences by dribbling small charities to keep other equally good Americans from starving, we may well ask, Have we assured to those in need rights promised by our forefathers when establishing this Government?

Men of great wealth generally place a large share of their wealth in tax-free securities, or make large gifts to maintain others in luxury and so escape estate taxes. They receive the protection of this Government in acquiring that

wealth. Should they be relieved from paying for that protection when hoarding their wealth?

I have no envy for any man possessing great wealth. He misses much in life for the enjoyment he gets in accumulating money. To cite an extreme case, the miser gets happiness out of his habits and his sacrifices for wealth, but few people envy him that joy. We are dealing with rights when that wealth is permitted to accumulate and is protected, to the exclusion of rights to work and live by millions not blessed with food or shelter.

MEN WHO ASKED FOR JOBS

It is generally understood that Secretary Mellon, by threats of resignation and of ultimate national financial confusion, compelled Presidents Harding, Coolidge, and Hoover to oppose and veto veteran compensation legislation. Its effect on the subject in hand is disclosed by the following extract from a speech in the House on February 16, 1931. Quoting from the committee hearings of January 31, I said:

Appeals for relief of unemployment by veterans and tales of need do not go to Mr. Mellon, where they would be unanswered, but to General Hines.

I quote from the committee hearings of January 31:

General HINES. I estimate between 200,000 and 300,000 ex-service men are out of employment. * * *

Mr. FREAR. You have previously stated that not over 50 per cent, if given the option, would release their certificates, so that 50 per cent will not be forced; is that right?

General HINES. That is correct.

Mr. FREAR. The proportion that will be forced is simply those out of work, in distress, with their families in need. Now, what provisions are we to make to care for those people, other than by the bills which are now before us?

General HINES. I indicated, Congressman, I felt we should make an effort to get them into employment * * *. The Department of Labor, with the cooperation of the Veterans' Administration and the service organizations, indicate the result of our combined efforts * * * that from May until December of 35,974 veterans they were able to place in employment 13,253. An additional 17,439 have been referred to employers but to date it has not resulted in getting a job.

Mr. FREAR. On the basis of those figures 22,000 of the 35,000 are still out of employment.

General HINES. Yes.

Mr. FREAR. Now, what proportion of the total number would you say are in this third group that are in distress or in need?

General HINES. I think I limited it to two or three hundred thousand.

Mr. FREAR. These combined efforts, as you have stated, have provided 13,000 with employment out of two or three hundred thousand. What are we to do for the balance of those two or three hundred thousand?

General HINES. It is our duty to continue our special effort to get the veteran employment. * * *

Mr. FREAR. But if we have only secured 13,000 positions out of two or three hundred thousand we have not made much progress. * * *. Of course, they are put in competition with the great number out of employment who are not ex-service men. That is one reason why 13,000, the number provided for, is so limited, is it not?

General HINES. Yes.

If Secretary of the Treasury Alexander Hamilton, No. 1, had said to General Washington, first in the hearts of his countrymen, that the survivors of Valley Forge, when asking for bread, should be given a stone or shown the soup house, that great patriot, whose bicentennial we are about to honor, would doubtless have replied that Aaron Burr must hurry his sunrise meeting.

Patriotism has been so diluted since those days by foreign investments, foreign entanglements, and war profiteering that the second Hamilton, although rolling in wealth, enhanced by the World War and sacrifice of veterans now in need, disclosed a different atmosphere when he says, in effect, a soldier must depend on charity. I am using his case as an object lesson and not because of any prejudice against the individual.

That eminent financier was aware last year of the fact that 287,000 veterans, once ruthlessly taken from their jobs to fight our battles, were then out of employment, without hope of jobs; that families had suffered mentally and financially during their absence in war; that these families in many cases are now dependent on charity; that I O U's of Uncle Sam in the form of Government insurance certificates, the best security in the world, were offered by Congress and

that loans, not gifts, were asked to tide these men over a great business depression. To placate the present Secretary of the Treasury it was agreed by Congress, over protests, that the wealthiest government in the world might shave interest rates so that the Treasury would make an actual profit from these loans to veterans.

That relief bill was vetoed, with a dismal prospect of crowding soup houses already the refuge of several million other Americans looking for jobs. Congress, irrespective of politics, voted not to throw out the pleas of men who fought, to save Mellon's millions. In so doing, to a mild degree, it reflected the immortal spirit of the Father of our Country when again it overruled a President's veto.

Veterans asking for a job were to be handed a soup ticket. That was and is Americanism down to date. Congress must return to an Americanism which declares "work," not "charity," is the right of every man, so far as the Government can provide.

No system can be devised that will prevent injustices or suffering, but it is well to consider extremes when charity is offered as a remedy for the needs of millions of people out of employment and who want work.

MEN WHO GOT JOBS

Present conditions were disclosed when the press recently reported that a call in one city for 250 men to dig ditches for sewers caused ten times that number to stand in line during the night, including many white-collared men, all looking for jobs to dig dirt at nominal wages. A small riot was precipitated by the excess of labor asking for that work.

Senator LA FOLLETTE's committee has been holding hearings during the recess and has many valuable data on which to frame a bill or bills to meet the present unemployment emergency, but I have had the temerity to offer a suggestion which may properly furnish a basis for additional permanent relief.

A Federal unemployment commission to deal with the problem might well follow the plan of Federal highway aid. That commission should be authorized in emergency to extend possibly not to exceed 20 per cent of the cost of new local municipal improvements, providing the State in which a municipality is located contributed a like amount of State money.

This would leave 60 per cent of the actual cost of the improvement to be borne by the municipality. Such improvements, when an emergency was declared to exist, would extend from ordinary permanent municipal improvements to projects for housing and otherwise caring for the welfare of the people. The work to be performed under joint supervision after the project, including wages and amount of joint contribution, had been determined and agreed to.

Large cities that have a proportionately large surplus of unemployed labor would thus be relieved from a portion of the excess burden of caring for unemployed who flock there in times of depression.

Surrounding restrictions should be required with limitations of character of work to receive contribution, amount to be expended, with an additional provision that Federal officials be required to approve every project, its necessity, and usual building conditions in manner similar so far as applicable to present authorizations for Federal building construction throughout the States.

Federal aid would be extended only in cases of unemployment emergency, to be determined by the administrative board acting under definite provisions of law, to avoid extravagance or unauthorized expenditures. Such Federal aid would be based upon cooperation by the State and local municipal unit. Details could be provided for safeguarding the Federal Government and a plan could be developed to meet the necessities of a situation that everyone concedes demands vigorous treatment.

EXPENSE, HOW BORNE

What will be the expense and how will it be met?

Under charitable contributions those best able to pay generally shirk their full duty. Under income, estate, gift, and like tax measures those best able to pay must give support to their Government. Evasions or exemptions due to trusts,

gifts, tax-free securities, or other provisions that prevent the Government from collecting the full amount paid by ordinary taxpayers are frequent. Remembering that our Federal tax rates are below those of practically all other countries, a tax based on ability to pay would be just to those taxed. That is the present proposal of the administration.

That is a separate responsibility of Congress and an increased tax to balance the Federal Budget should give priority to the establishment of such an unemployment bureau. Highways, waterways, irrigation, and other like proposed expenditures, especially where undertaken without proportionate local contribution, should wait in times of stress because slight scrutiny will often disclose doubtful utility and the fact that actual manual labor on those projects is not to be compared with the harvest of profits ordinarily reaped by contractors using modern machinery. The right to work is superior to community benefits claimed to be gained. Frequently much public money is wasted under the guise of public "improvements," and Congress as well as the President has a responsibility for the wise expenditure of money, second only to the prior right of work for those in need.

With war-debt payments already anticipated by the Treasury it would not embarrass this Government to ease the present depression by a bond issue, if need be, that would be oversubscribed by those who are looking for safe investments. Until industries are again on a normal basis this course would give needed relief.

If relatively more important expenditures are to be considered, it would be well to delay, if not permanently postpone, a naval-parity program which seeks to secure a billion dollars from the Federal Treasury for naval parity with Great Britain in addition to an annual drain on the Treasury of three-quarters of a billion dollars now paid for maintaining our Army and Navy. That tax drain to-day is more than double the cost of our defense measures prior to the World War, and greater than is paid by any other country for "national defense." Other like extravagances are familiar to every Member.

By payment of \$1,000,000,000 toward unemployment in one year, a proper investment, the Federal Government could secure a contribution of four times that amount from the States and municipalities, or a total of \$5,000,000,000. Probably one-tenth of \$5,000,000,000 that could thus be raised for any emergency would be sufficient to meet ordinary demands, but work should be given to those who ask for it, where possible to furnish.

A contribution of \$100,000,000 from the Federal Government, with a like sum from the State and three times that amount from the municipality, would furnish employment for 2,500,000 people for several months at modest compensation, and double that Federal contribution would provide 5,000,000 unemployed with work on useful improvements throughout the average period of depression. Compared with appeals to charities, this would be a far better method of relief than to provide simple gratuities which would not approach those amounts during the same period nor be equitably contributed by those best able to pay.

The blessings of individualism have long been held up to the world, but when men and women ask for work instead of charity it is time for us to give attention to our own public methods that excite criticism from abroad.

The suggestion is here proffered of a constructive plan that may be further developed with a protest against forcing self-respecting people to line up with down and outers, by pleading for charity, when work and not charity is asked. Our country can and should face the problem squarely, by making provision for the present and for future emergencies that are sure to come.

BETTER INVEST OUR MONEY IN AMERICAN JOBS

One word in conclusion: The Commerce Department's Bureau of Foreign and Domestic Commerce reports the United States and its citizens hold approximately \$24,500,000,000 in foreign investments, or \$200 per capita for every

man, woman, and child, including 5,000,000 unemployed, 95 per cent of whom have no part of that enormous investment.

The total is divided into \$7,740,000,000 cash value (?) of \$11,640,000,000 war debts when whittled down to date with likelihood of more whittling to be done.

Fifteen billion dollars is in private long-term investments in factories, mines, public utilities, and various foreign government bonds and \$1,725,759,000 in short-term credits. Of these investments Canada has \$3,941,693,000; Europe, \$4,929,277,000; South America, \$3,041,926,000; and Mexico, Central America, West Indies, Africa, Asia, and Oceania have practically all the rest of the \$15,000,000,000. If our financiers can place their securities in such large quantities abroad, it would be well to reserve a portion here for the use of America's unemployed.

To get a picture of the moderate tax paid by the American, compared to that paid by his English cousin, the last tax proposal by Snowden in England reached 5 shillings (or 25 per cent) on the pound as the basic income tax. Ten per cent increase in the surtax on higher incomes is also one method of distributing wealth in conservative England.

Sixteen cents per pound on smoking tobacco, 16 cents tax a gallon on gasoline, and similar heavy English taxes are then imposed. A small fraction of that tax rate would provide work for all of America's unemployed.

It is sometimes comforting to know that misery has company, and in these days of business depression when all the world is affected, the situation does not look so bad when we realize that, after all, ours is the best country in many ways, and it is only a matter of better distribution of wealth by taxation that is asked for in time of need and a contribution from those best able to pay to provide work for those who ask for it and not for charity.

I attach hereto bill (H. R. 4552) that provides for a permanent Federal unemployment commission.

H. R. 4552

A bill to provide for cooperation with the States and with municipal corporations for the relief of unemployment by extending Federal aid toward the construction of municipal improvements
Be it enacted, etc.—

FEDERAL COMMISSION FOR THE RELIEF OF UNEMPLOYMENT

SECTION 1. That a Federal commission for the relief of unemployment (hereinafter referred to as the commission) is hereby created, to be composed of the Secretary of Agriculture, the Secretary of Commerce, and the Secretary of Labor. Two members of the commission shall constitute a quorum for the transaction of business, and the commission shall have an official seal, which shall be judicially noticed. The President shall designate the chairman of the commission.

EMPLOYEES AND ADMINISTRATIVE EXPENSES

SEC. 2. That the commission shall appoint, without reference to the civil service act of January 16, 1883, an executive secretary, who shall receive a salary of \$5,000 a year; and may employ, subject to the said civil service act and the classification act of March 4, 1923, as amended, such experts and other personal service as may be necessary to carry out the purpose of this act. The commission shall occupy rooms assigned to it by the Public Buildings Commission; or if no such rooms can be assigned, the commission may rent suitable rooms in the District of Columbia. The commission is authorized to purchase, through the General Supply Committee, such furniture, stationery, and other supplies as may be necessary to carry out the purpose of this act. For the expenses referred to in this section there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary, not to exceed \$100,000 for any one fiscal year: *Provided*, That such appropriation shall not be expended at a rate in excess of \$50,000 a year except during such times as an emergency has been declared to exist, under section 3 of this act.

UNEMPLOYMENT EMERGENCIES

SEC. 3. That the provisions of this act relating to Federal aid shall apply with respect to any State only during an emergency condition in the unemployment situation in such State; the existence of the emergency condition being declared by the commission, subject to the approval of the President; but no such condition shall be declared to exist in any State until after some duly constituted official of that State has requested the commission to make such declaration. The commission, subject to the approval of the President, may declare the termination of an emergency condition in any State; and shall make such declaration whenever so requested by the legislature of the State or by the governor, if the legislature has not been in session at any time during the preceding 60 days.

APPLICATION FOR FEDERAL AID

SEC. 4. That during any emergency condition in the unemployment situation in any State, any municipal corporation in such State may apply to the commission for Federal aid for the construction of permanent improvements, and the commission is authorized to grant such Federal aid under the following conditions:

(a) The Federal aid shall be limited to 20 per cent of the estimated total cost of the improvement.

(b) The State must guarantee, through some commission or other agency duly authorized by the legislature thereof, that it will contribute toward the same improvement, an amount at least equal to the Federal contribution, and that it will be responsible for the completion of the improvement, in case of any default on the part of the municipal corporation to comply with its obligations under this act.

(c) The municipal corporation must provide for defraying all cost of the improvement in excess of the Federal and State contributions; and the commission must satisfy itself before approving the application that this provision constitutes a valid legal obligation on the part of the municipal corporation.

(d) The application must be accompanied by detailed plans and specifications for the proposed improvement, including an estimate of cost; and no Federal aid shall be granted until the plans, specifications, and estimate of cost have been approved by the commission.

(e) The commission shall have complete discretion to refuse to grant Federal aid to any municipal corporation in respect to any specific application; but the reasons for such refusal shall be communicated in writing to the municipal corporation.

(f) The proposed improvement set forth in the application must be of a permanent character, and may be in the nature of facilities for water, light, gas, power or sewage service, municipal buildings, or dwelling houses to be the property of the municipal corporation.

(g) Before any of the Federal appropriations are expended the commission must be satisfied that the State aid is actually available, that any necessary bond issues have been validly authorized and the proceeds of the bonds made available, and that both the State and municipal agencies for the expenditure of the funds are effectively organized.

(h) The agreement providing for Federal aid shall contain such provisions as to methods of construction, wages, and other details as the commission may think necessary or desirable; and the commission may withhold any Federal contribution if in its judgment such provisions have not been complied with. No contribution of Federal funds shall be made except proportionately with funds advanced by the State until the improvement is completed and the action by the commission shall not be subject to review by any court, but only to an appeal to Congress for relief.

APPROPRIATIONS

SEC. 5. That for the purpose of carrying out the provisions of section 4 of this act there is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated the sum of \$100,000,000: *Provided*, That not more than \$1,000,000 shall be contributed in aid of any one municipal corporation, nor more than \$5,000,000 for municipal corporations in any one State in a single year.

SEC. 6. The commission is authorized to call upon all agencies of the Federal Government for information or advice in connection with the operation of this act, and the commission shall from time to time make detailed recommendations to Congress for further legislation needed in order to carry out more effectually the purpose of this act, and shall at the beginning of each session of Congress make a full report of all expenditures made under section 4 of this act subsequent to the period covered by its last preceding report. The commission shall meet at any time at the call of the chairman or of the President; and the chairman shall call a meeting within 10 days after a request from the governor of any State for a declaration of an emergency condition in the unemployment situation in such State.

ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a radio speech I made last night, and to include a letter from Thomas Kirby, national legislative chairman of the Disabled American Veterans of the World War.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following speech delivered by myself over the Columbia Broadcasting System Monday evening, December 21, 1931, on the subject, "Why the adjusted-service certificates should be paid in cash now."

Are veterans of the World War "bonus racketeers," "Treasury raiders," and are they trying to bankrupt the Government? Many such charges have been brought against them. Many such odious terms have been applied to their demands. If their requests from the Government are unreasonable, such charges are at least corroborated. If, on the other hand, the veterans are reasonable in their demands and are supported by both justice and right, the charges are unauthorized and the ones making them are entitled to have their motives impugned.

H. R. 1 FOR FULL PAYMENT

Congress should immediately pass a bill authorizing the full cash payment of the adjusted-service certificates. My bill, H. R. 1, introduced the first day of Congress, provides for full cash payment without deducting interest on prior loans since October 1, 1931. This proposal is indorsed by the Veterans of Foreign Wars, the Disabled American Veterans of the World War, Fleet Reserve Association, and many other organizations.

NOT BONUS CERTIFICATES

Three million six hundred thousand veterans of the World War hold adjusted-service certificates. They are not bonus certificates and do not represent a bonus; they represent a just and honest debt confessed and acknowledged by the Congress of the United States to the veterans of the World War for services rendered. They range in value from \$126 to \$1,590 each; the average certificate is for \$1,000. The holders of these certificates reside in every nook and corner of America.

COMPOUND INTEREST WILL CONSUME REMAINDER

Two million five hundred thousand of these veterans, or about 75 per cent, have borrowed \$1,300,000,000 by using their certificates as collateral security. They are paying 4½ per cent interest, compounded annually, for their own money. They are now charged with being unpatriotic for objecting to the remaining one-half of their certificates being consumed by compound interest. They are told the money will be needed by them much worse in 1945. A veteran holding a certificate of the average size, who has borrowed the limit allowed by law, as these veterans have borrowed, and does not pay any part of it back, will be able to negotiate another loan on his certificate in 1944 for \$16.55; the next year, 1945, he will be given \$66.25 and his certificate will be canceled. Compound interest will consume the remainder.

Two billion two hundred million dollars will pay the balance due on all the certificates. Only the uninformed or the veterans' enemies contend that the Government can not conveniently make this payment now. The Government can be saved tens of millions of dollars a year in administration expense by making the payment now, and at the same time save the veterans, their widows, and orphans tens of millions of dollars annually in compound interest. For a veteran to be required to pay interest for his own money is bad enough, but to require him to pay "compound interest" is adding insult to injury.

The veterans' problem is the problem of the plain people. Most of the veterans belong to that great middle class. It is that class that has done so much for this country. They are the ones who build our country in time of peace and who save our country in time of war. If they are made prosperous, everybody will be prosperous; they have the consuming power.

The plain people will be greatly benefited by the payment of the adjusted-service certificates. A benefit to them is a benefit to the Nation.

OTHERS RECEIVED ADJUSTED PAY

The principle of adjusted pay was invoked by our Government for the benefit of others who rendered war services. The railroad owners and war contractors were given billions of dollars by the Government immediately after the war in adjusted compensation. Federal employees, drawing \$2,500 a year or less during the war, drew \$1,200 and \$1,400 each as adjusted compensation—this payment costing the Government \$300,000,000. Foreign countries were given \$10,000,000,000 in the adjustment of their debts with us and they used our money to pay their own soldiers not only adjusted compensation but bonuses aggregating as high as \$7,290 each. Remember, the railroad owners, war contractors, and Federal employees were paid by our Government in cash, and ten billions were given to foreign countries at a time when our Nation owed \$26,000,000,000. No one asked the question, "Where are we going to get the money?" Our Nation owes at this time \$10,000,000,000 less than it owed at that time.

ACT OF 1924

Congress passed a law in 1924 which was known as the adjusted compensation act. The report of the committees of Congress reporting this bill, both House and Senate, and the copy of the proceedings of both Houses in the discussion of the measure disclose that by the enactment of this law Congress intended to confess and acknowledge to the veterans of the World War a debt for extra pay during the time of their military service equal to \$1 a day extra pay for service in the United States and \$1.25 a day extra pay for service overseas. These reports and discussions further disclose that the amount was arrived at by taking into consideration the difference between what the average private soldier, sailor, or marine received for his service at \$1 a day and his food and clothing, which was furnished by the Government, and what the lowest paid laborer in America received as compensation during the war. This calculation enabled the lawmakers to come to the conclusion that the veterans were entitled to receive between \$1 and \$1.25 a day extra pay and resulted in allowing the men in domestic service \$1 a day extra and the overseas men \$1.25 a day extra.

Contrary to the belief of many people, the veterans of the World War are not asking Congress to give them one penny more than the \$1 or \$1.25 that has already been confessed. The veterans are not asking that the amount be raised; they are merely asking for the payment as of the time their services were rendered with a reasonable rate of interest since that time.

Is that an unreasonable request? No one can contend that it is.

Congress, in the passage of the act which confessed the debt to the veterans, provided that instead of paying them in cash, the amount due them would be increased by 25 per cent for waiting, and they would be given an endowment-insurance policy, due January 1, 1945, for an amount equal to what such a premium would purchase, according to the American Experience Table of Mortality, at 4 per cent interest, which was done. Under this act veterans were permitted to borrow from the Government, by using their policies as collateral security, a small amount each year, equal to about \$2 a month on the average policy. On these loans the veteran was required to pay a rate of interest equal to 2 per cent above the rediscount rate effective in the Federal reserve district where the veteran resided. This resulted in the veterans being required to pay 6, 7, and 8 per cent interest, compounded annually, for their own money, which they paid for many years.

In the full-payment bill now pending the veterans are not asking for the 25 per cent increase for waiting—just the amount due at \$1 and \$1.25 a day as of this time the services were rendered, with a reasonable rate of interest since that time. The 25 per cent increase is omitted.

What is a reasonable rate of interest? The Government in charging the veterans 6, 7, and 8 per cent interest, compounded annually, for their own money admitted these amounts were reasonable; therefore, a request for 6 per cent interest, compounded annually is not unreasonable. That is all the bill calls for. If the veterans are paid the \$1 and \$1.25 a day with 6 per cent, compounded annually, from the time the services were rendered, each veteran was entitled to receive, October 1, 1931, an amount equal to the full face value of his adjusted-service certificate. Therefore the face or maturity value of all the adjusted-service certificates is long past due. They must be paid some time. If paid now, both veterans and the country will be benefited. The additional purchasing power such payment will afford is badly needed at this time.

HAS THE LAW AUTHORIZING LOANS OF 50 PER CENT UPON ADJUSTED-SERVICE CERTIFICATES CAUSED ANY PART OF THE TREASURY DEFICIT?

This charge is often made. It is not true. No part of the Treasury deficit has been caused by loans to veterans on their adjusted-service certificates. November 28, 1931, the Veterans' Administration furnished me with the latest information relative to these loans. This information discloses that a total of \$1,173,330,971.37 has been loaned to veterans under both the old and new laws relating to loans; \$537,339,791.76 loaned under the original act of 1924, when the debt was acknowledged; \$635,991,179.61 has been loaned under the new act of 1931 authorizing a loan up to 50 per cent of the value of certificate.

None of this money has been loaned by the Treasury Department. It has all been advanced from two funds, as follows:

Adjusted-service certificate fund.....	\$840,243,494.98
United States Government life-insurance fund....	332,987,487.28

There is in the adjusted-service certificate fund at this time, after deducting the above amount, and which may be used to advance on additional loans, the sum of \$153,925,720.

A letter from the Veterans' Administration to me, dated November 28, 1931, substantiates the statements I have made.

MISLEADING HEADLINES

During the past two or three days newspapers all over the Nation have carried this headline, "Veterans' bonus of \$200,000,000 passed by Congress." One would immediately come to the conclusion that a new veterans' bonus bill has passed and that the veterans who have borrowed can now secure an additional sum on their certificates. Such is not the case. The President, anticipating that the adjusted-service certificate fund will become exhausted and that additional funds will be needed for the purpose of loaning veterans their own money at 4½ per cent interest, compounded annually, requested Congress to make the \$200,000,000 available for that purpose. A veteran who has borrowed 50 per cent on his certificate is not affected by this legislation. He can not borrow an additional sum. The appropriation is for the purpose of granting additional loans to veterans who have not borrowed the limit allowed by law.

WHERE WILL WE GET THE MONEY TO PAY THE CERTIFICATES?

Our national debt is being retired too rapidly. Congress passed a law which established the policy of the Government in the retirement of this debt. Since the war was fought for posterity, Congress declared that the payment of the debt caused by the war should be borne, at least partly, by a future generation. The Secretary of the Treasury, contrary to the policy expressed by Congress, has paid \$3,500,000,000 more on the national debt the past 10 years than Congress said should have been paid during that period of time. Congress can pay the adjusted-service certificates in full in cash now and our country's national debt will not be as great by over \$1,000,000,000 as Congress, 10 years ago, contemplated that it should be at this time. Our national debt, compared to our national wealth, is insignificant and is nothing compared to the indebtedness of foreign countries. Our national debt is between sixteen and seventeen billions of dollars. Our national wealth is thirty times the amount of such debt.

HOW WILL THE MONEY BE SPENT?

Will the veterans waste the money? It is their money. They have a right to spend it for any purpose they choose. An investigation made by the Veterans' Administration for the purpose of discovering how the money was spent that was paid on the 50 per cent loans disclosed that 65 per cent was spent for comforts

and necessities of life; 20 per cent for investment purposes, including payments on homes; 8 per cent on automobiles; and 7 per cent in a way that no practical benefits were realized therefrom. The average age of the veterans is 39½ years. They are married and have children. Almost a million of them are out of employment. They need the remaining half of their certificates much worse than the Government needs it in compound interest.

THE NATION WILL BE HELPED \$18 PER CAPITA

If the remainder of the certificates are paid in full it will be the same as distributing \$18 per capita all over the Nation. In a city of 1,000,000 people \$18,000,000 will be paid to the veterans. This money will go immediately into the channels of trade. A veteran will pay his doctor bill, drug-store account, grocery bill, an installment on the furniture, a payment on the home, or possibly enjoy additional comforts and necessities of life. All the people in that city will be helped. The benefits will not be confined to the veterans and their families.

GET THE TRUTH TO THE PEOPLE

This is not a question of sympathy. It is a business proposition. A great principle is involved. That is, shall the Government liquidate this debt in the same way that debts owed by the Government to others are liquidated? If so, it should be paid in cash now. The veterans do not want sympathy, they want understanding. We will be victorious when the people understand that our request is both right and reasonable. Our problem is getting the truth to the people. The request for this payment does not come from veterans alone but from farmers, wage earners, manufacturers, wholesalers, retailers, jobbers, business and professional men and women, and all others who want a wrong righted and our Nation made prosperous.

FIGHT WILL CONTINUE

We have a just cause; we are right; the fight has just commenced, and it will continue until the certificates are paid in full.

It has been contended that the Disabled Veterans of the World War are not favorable to the proposal that the adjusted-service certificates be paid in full in cash now. The following letter is self-explanatory:

DISABLED AMERICAN VETERANS OF THE WORLD WAR,
Washington, December 17, 1931.

Hon. WRIGHT PATMAN,
House Office Building, Washington, D. C.

MY DEAR MR. PATMAN: In response to your request for confirmation as to the position of the Disabled American Veterans on the matter of adjusted-compensation-certificate legislation at this session, you are informed that the Disabled American Veterans of the World War stands for the immediate cash payment of this obligation.

This position has resulted from the action of the eleventh national convention of the Disabled American Veterans of the World War last June at Wilkes-Barre, hundreds of delegates representing every section of the country voting overwhelmingly to make this an item of the national legislative program. This was not a precipitate action from the floor but came after the legislative committee had deliberately considered numerous resolutions from various units.

In this connection the eligibility of the Disabled American Veterans of the World War can not be overemphasized. This is the only organization of any wars' disabled in the history of the Republic that has been federally recognized, and we have always been extremely jealous of our eligibility lists, which are limited exclusively to men whose disabilities resulted from their military or naval service.

As you are aware, the legislation at the last session came at a time when the distress among the disabled was not as severe as at present. I know it will be interesting to you to be informed that the first employment census of the disabled since the armistice was taken during the past summer under the guidance of the Disabled American Veterans of the World War. There was sent to every compensable man in America a questionnaire as to his employment status and the tabulation from these returns showed there were 75,000 service-connected disabled men without employment whose average compensation is less than \$30 per month. It has been estimated that 20 per cent of the soldiers were married, while to-day 80 per cent of the veterans are married, and the vast majority of these have dependents. It is easy to visualize the distressful condition of these men at this time of depression so, if the legislation last year was justified, it is more so at present, so far as the war's disabled are concerned.

Cordially yours,

THOMAS KIRBY,
National Legislative Chairman.

I want to thank Mr. Harry C. Butcher and the other officials of the Columbia Broadcasting System for the privilege of making these remarks over the air.

I shall be glad to send to anyone requesting it a copy of a speech which covers every phase of this subject, answers every argument against the proposal, and discloses the number of veterans in each State holding adjusted-service certificates and the amount that will be paid these veterans if H. R. 1 passes Congress. You may address your request to Representative WRIGHT PATMAN, House Office Building, Washington, D. C.

APPALACHIAN ELECTRIC POWER CO. *v.* GEORGE OTIS SMITH

Mr. SUMNERS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 930, limiting the operation of sections 109 and 113 of the Criminal Code with respect to counsel in the case of the Appalachian Power Co against George Otis Smith and consider same.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That nothing in sections 109 and 113 of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, as amended (U. S. C., title 18, secs. 198 and 203), or of any other act of Congress forbidding any person in the employ of the United States or acting in any official capacity under them from acting as agent or attorney for another before any department or branch of the Government or from receiving pay for so acting shall be deemed to apply to counsel serving in the case of the Appalachian Electric Power Co. *v.* George Otis Smith et al., now pending in the District Court of the United States for the Western District of Virginia.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. SUMNERS of Texas, a motion to reconsider was laid on the table.

PHILIPPINE INDEPENDENCE

Mr. RAINEY. Mr. Speaker, I yield five minutes to the gentleman from the Philippine Islands [Mr. OSIAS].

Mr. OSIAS. Mr. Speaker, I wish at the outset to express my grateful appreciation for the uniform courtesy extended to me by the Members of the House of Representatives during my incumbency in office. I am thankful for the generosity of the majority floor leader in allotting me a few minutes to discuss in a preliminary way the Philippine question.

I shall do nothing more on this occasion than to present the true stand of the Filipino people in regard to our national freedom and apprise the membership of Congress of the subtle and widespread propaganda misrepresenting the real sentiment of my people and the declaration of the Filipino leaders.

Mr. Speaker, it is neither new nor strange to us that those opposed to the redemption of America's pledge to grant independence to the Philippines should labor to frustrate favorable action. We have long been the victims of a campaign of misinformation and misrepresentation. Time and again in the past accusations had been hurled against us. Our adversaries have alleged that the Filipinos do not really want independence; that only politicians are clamoring for it; and that the leaders must go through the gestures to keep themselves in power.

We have repeatedly denied these charges. We have answered that the fact that no Filipino may be elected to any office if he is not for independence is a proof of our universal devotion to our national emancipation. We have answered that all live elements of our population are convinced that independence is the best solution of the Philippine question. We have answered that the allegation that leaders have to advocate independence to keep themselves in power is really an argument in favor of independence, for it clearly reveals that the masses compel their leaders to take a firm stand.

At the extensive hearings on Philippine independence before the Senate Committee on Territories and Insular Affairs, the insidious propaganda reached the members. We are indebted to the Senate committee for the categorical answer given. I quote the exact words of the majority report:

It is insinuated that the Philippine people do not actually desire independence and that their leaders do not really favor it, and yet, in reply to this propaganda, there comes from the entire press of the Philippines, from all classes of its population, from its school children and its public officials, from the representatives of its political parties, majority and minority, a demand for independence.

Not a single witness before your committee could name 10 Filipinos who do not favor independence. The business organizations of the islands, their national conferences, their educators, their government officials, their economists have all declared for

independence. The Philippine press, the Philippine public, the Philippine pulpit, the Philippine school, and Philippine industries seem, so far as we can ascertain, to be unanimous in the demand that the United States redeem its pledges to grant to these people the sovereignty to which they aspire.

In recent months a similar propaganda was renewed with greater intensity. Now it is blatantly announced to the four winds that the Filipinos have changed front. Right here in Washington there are individuals or agents interviewing Members of Congress and whispering that the Filipino leaders no longer want independence. They are distributing drafts of measures alleging that they embody the new stand of my people. I have in my possession a copy of such a measure kindly furnished me by a colleague. I also hold in my hands a printed pamphlet skillfully conveying the idea that a number of Filipino leaders no longer desire immediate independence and national sovereignty.

I stand here and say authoritatively that the allegation that we have changed front is false and unfounded. We employ no lobbyists—Filipino, foreigner, or American—to voice our desires. We speak for ourselves. The Philippine Legislature and the Filipino people are cognizant of the proper procedure in approaching the people and Government of the United States. Within a few days an independence mission sent at the behest of the Philippine Legislature will arrive in Washington. The members of this body and the American people at large are entitled to the truth, and the truth they shall have from the authorized and chosen spokesmen of my people. [Applause.]

I have the deepest respect for the Congress of the United States, and I wish to say without fear of successful contradiction that if the Members could visit the Philippines they would see for themselves that the Filipino people's demand for independence to-day is more vocal and insistent. Speaker Roxas, who headed the last mission that appeared before congressional committees during the last Congress, voiced our true sentiments when he pleaded for the immediate, absolute, and complete independence of the Philippines. Senator Osmeña, speaking at the last session of the Philippine Legislature, stated what the Filipinos most desire, in these words:

What our people want now is their independence; that they be allowed to live their own free life, direct their own destinies, and establish, finally, a government of their own, loved and sustained by themselves under the aegis of their own flag.

Senate President Quezon, whose views had been garbled in transmission and very seriously misrepresented in the American press, defined the relations that the Philippines should have with America when he submitted his report to the legislature. No one who knows the patriotic and self-sacrificing spirit of our national leader in our emancipatory struggles extending over a period of years, no one who had ever come in contact with him while in Congress could ever doubt that he is now, as he has always been, for independence. The report alluded to closes with this paragraph:

Our relations with the American people * * * must be inspired by the principle of self-determination and voluntary partnership. It is only thus that an effective and cordial cooperation between America and the Philippines may be secured in a common design to promote the moral and material interests of both peoples.

The last independence congress held in Manila attended by representative elements of our population adopted the following self-explanatory resolution:

In the name and in behalf of the Filipino people we solemnly affirm, with full realization of the consequences and responsibilities of political independence, that our people should be allowed to live an independent life and to establish a government of their own without any further delay and without any condition which makes its advent uncertain; hence we respectfully reiterate our petition to the people and Government of the United States to grant the Philippines immediate, complete, and absolute independence.

At the last session of our insular legislature an independence memorial was approved at a joint session, and I take the liberty of reading the closing paragraph:

The independence of America from the Philippines would seem to be as imperative as the independence of the Philippines from America. Therefore, with all due respects, with a deep feeling of gratitude to America, and with full consciousness of the burdens

and responsibilities of an independent life, we hereby submit that the time has come for the redemption of America's solemn promise to declare and recognize the independence of the Philippine Islands.

Mr. Speaker, no one who hears or reads these pronouncements can honestly say that the Filipino people are not sincerely devoted to their independence. Every mail from across the seas brings to my office resolutions from provincial boards and municipal councils voicing the same sentiment. I submit that the members of this body are witnesses to my constant plea for immediate, absolute, and complete independence.

An impartial observer, Mr. Eddy, in a volume on the Challenge of the East, recently published, and devoting a chapter to the Philippines, does not hesitate in saying:

We have found no people in the world so unitedly, so passionately, so insistently desiring independence as the Filipinos.

The SPEAKER. The time of the Commissioner from the Philippines has expired.

Mr. OSIAS. I ask unanimous consent to proceed for one-half minute.

Mr. COLE of Iowa. Mr. Speaker, I suggest that the gentleman take all the time he wants. We would like to hear the subject discussed.

Mr. KNUTSON. I ask unanimous consent that the gentleman be given 20 minutes.

The SPEAKER. Unanimous consent was granted that there would be 20 minutes of debate on a side, to be controlled by the gentleman from Illinois and the gentleman from New York [Mr. SNELL].

Mr. RAINEY. Mr. Speaker, I yield two minutes to the gentleman from the Philippines.

Mr. OSIAS. I thank the gentlemen most heartily. Mr. Speaker, in two minutes it is clearly impossible adequately to discuss other phases of this all-important problem, independence, but the extension of time enables me to present succinctly our independence stand. In words as plain and in language as clear as I can make it, this is the stand of my people to-day: If given the choice between a continuation of the present form of government on the one hand and immediate, absolute, and complete independence, with all the attendant consequences on the other, the Filipino people are a unit in favor of immediate, absolute, and complete independence. To make this point more emphatic: If the choice is between relative prosperity without freedom on the one hand and independence with relative poverty on the other, my people would unhesitatingly choose the latter. Naturally, if they could secure immediate independence with reasonable economic adjustment, they would welcome it. But let there be no mistake. The supreme concern of the Filipinos is the early grant of national independence. [Applause.]

I am inspired, Mr. Speaker, that during this brief session of the Seventy-second Congress already the membership has shown itself liberal and generous even to countries across the Atlantic, even to people who were once the enemy of the United States. I speak for a people, who during that world cataclysm, clung to you with a loyalty that bordered on filial affection. They, through my weak voice, appeal to you that you cast your eyes upon those distant isles and attend with equal sympathy and promptness to our needs.

The last important legislation for the Philippines was approved in August, 1916. For a decade and a half Congress has enacted no fundamental law that would remove the uncertainty and anomaly of the Philippine situation or which would forever solve the relations between the United States and the Philippine Islands.

There should be no further moratorium on the Philippine question. There should no longer be a holiday on a problem involving people's rights and human freedom. Let American statesmanship now assert itself and grant us the independence which has been promised, and forestall even the possibility of bankruptcy in American-Filipino relationship. [Applause.]

The independence resolution approved on September 24, 1931, at a joint session of the Philippine Legislature, unanimous consent for the inclusion of which was secured, follows:

INDEPENDENCE RESOLUTION APPROVED SEPTEMBER 24, 1931, AT A JOINT SESSION OF THE PHILIPPINE LEGISLATURE

We, the members of the Philippine Legislature, in joint session assembled, for ourselves and in behalf of the Filipino people do hereby reiterate our petition for the immediate and complete political separation of the Philippine Islands from the United States. Our desire for liberty was repeatedly manifested in the course of our history throughout our many struggles for political emancipation culminating in the establishment of the Philippine Republic. We lost our independence because of the superior force of America. We expect to regain it because of her plighted word.

We acquiesced in American rule only when we were assured that she came not as a conqueror but as a liberator. In all good faith we relied on her promise made through her highest executive officials and confirmed by the Congress of the United States when it declared that the independence of the Philippine Islands shall be granted upon the establishment of a stable government. This condition having been fulfilled, the Filipino people rightfully expect that their independence will be recognized without any further delay.

Practical considerations also justify this urgent desire for immediate separation. The present movement to exclude Filipinos from the United States is giving rise to friction and misunderstanding. The manner in which the campaign is being conducted can not but arouse among the Filipino people a feeling that it is impelled by other than purely economic motives. Then, at the present time it is not safe for Filipinos in some parts of the United States to engage in lawful occupations. So long as we remain under the American flag, justice demands that we shall be allowed to live, work, and travel freely in any American territory.

The dual responsibility in our Government, the one assumed by the governor general and the other by Filipino officials, has been the source of serious conflicts in the past and is ever fraught with difficulties. Such an unsatisfactory situation must end. A backward step is unthinkable. The only solution is independence.

Our present trade relations with the United States are uncertain and unstable. Regulated exclusively by the American Congress, America's interests rather than our own are the dominant consideration. There is an increasing demand by American producers to maintain the American market solely for their benefit. Powerful American interests are now conducting a persistent campaign against the free entry of Philippine products. No one knows how long the American market will remain open to us. Doubts and misgivings have seized upon the minds of Philippine producers and investors, thus checking our development. We believe that enduring economic progress can only be achieved under an independent Philippines, free to dictate its own policies.

These facts prove the wisdom of the declared purpose of the United States to grant us independence. They also serve to strengthen our belief that political separation is the only solution to our problem. We see no other alternative. The happiness and prosperity of the Philippines and the economic interests of America are not to be found in the present artificial union which hampers our national development and injures economic progress, but in political separation wherein each may live the life suited to its distinct individuality and its national interests.

The independence of America from the Philippines would seem to be as imperative as the independence of the Philippines from America. Therefore, with all due respect, with a deep feeling of gratitude to America, and with full consciousness of the burdens and responsibilities of an independent life, we hereby submit that the time has come for the redemption of America's solemn promise to declare and recognize the independence of the Philippine Islands.

EXTENSION OF REMARKS

Mr. HOPKINS. Mr. Speaker, I ask unanimous consent to insert in the RECORD a resolution commending a bill that I have introduced in regard to the communists.

The SPEAKER. Is there objection?

Mr. RANKIN. Mr. Speaker, reserving the right to object, what is the resolution about?

Mr. HOPKINS. It is a resolution approving a speech that I made in regard to communism and the bill that I have introduced, which has been referred to the Committee on Naturalization and Immigration, in regard to excluding communists from this country.

Mr. RANKIN. Mr. Speaker, for the time being I shall object.

Mr. RAINEY. Mr. Speaker, I yield the remainder of my time to the gentleman from South Carolina [Mr. STEVENSON].

The SPEAKER. The gentleman from South Carolina is recognized for 13 minutes.

Mr. STEVENSON. Mr. Speaker, I may be forced to use more than 13 minutes and I would like to know now before I start whether I can or not. I ask unanimous consent that I may have 20 minutes.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that he may address the House for 20 minutes, regardless of the unanimous-consent agreement entered into by the gentleman from Illinois and the gentleman from New York. Is there objection?

There was no objection.

Mr. STEVENSON. Mr. Speaker, during the discussion of the moratorium resolution I discussed briefly a proposition for the rehabilitation of finance in this country. I referred to the fact that it would have to be handled by a board or commission, and I questioned the policy of allowing the President of the United States to name that whole commission. I did so upon the ground that he had not been particularly successful in the commissions which he had named, and adverted to the fact that the Farm Board was one of the shocking instances of a commission that had not been popular in the execution of its trust. Yesterday the gentleman from Nebraska [Mr. SIMMONS] took me to task, and while I was not here, which was all right, he made quite a lengthy discussion and inserted a great deal in the CONGRESSIONAL RECORD in reference to that matter. He conceived that I had devoted a great deal of time to assailing the Farm Board. Two short paragraphs were all I used about it, but it seemed to have touched a tender spot somewhere, because it took from 30 to 40 pages of the CONGRESSIONAL RECORD to reply to it. I shall have something to say about some of the things said.

He undertakes to say who the board are, and he first names Mr. Teague, who came from California. I did not mention Mr. Teague, but he was a member of the board, and his principal business is growing lemons, oranges, and walnuts. I knew we had a lemon, and I said in my speech that there were nuts on the board, and I am satisfied that the gentleman from California was one of those who participated in handing us a lemon and that he was one of the nuts.

The next gentleman they talked about is Mr. Legge. My friend twits me because Mr. Legge was appointed on a commission once before by President Wilson. Now, that does raise a presumption that he had sense enough to be on this board, but it is not a presumption that is not rebuttable, and when he says the only thing for the cotton farmers to do when they are about to make a good crop is to plow up one-third of that crop I say that presumption is rebutted. The gentleman overlooked the fact that President Wilson also appointed Mr. Hoover, now the President of the United States, to a position of equal dignity to that of Mr. Legge, and yet I am questioning Mr. Hoover's capacity to name boards to handle these great financial transactions, and I am in favor of some limitation upon these things aside from that provided in the Constitution.

Then the gentleman speaks of Mr. McKelvie, to whom I referred as being a newspaper man and not a farmer, and that he had not raised any wheat. Mr. McKelvie replies to his inquiry in a very long telegram and says:

We have produced wheat on our Nebraska farms for 50 years, and now have a thousand bushels of wheat in the bin on our farms near Lincoln.

Who is "we"? Has this gentleman become so exalted that he has to be spoken of in the plural number? Gentlemen, if he tells the truth, he is an abnormal man. He saw the light of day cutting wheat. I call attention to the fact that the gentleman has only been born 50 years. Certainly in Nebraska they do not begin to raise wheat the moment they begin to raise "cain" when they have the colic, and therefore I say that "we," Mr. McKelvie, who writes this telegram, certainly is not the fellow who was making wheat, because he could not make it 50 years ago.

What did he say in Who's Who? We all know who prepares Who's Who. The fellow writes his own biography. He says he was born on the 15th of April, 1881; married June 19, 1904; with the Bee Publishing Co., Omaha, Nebr. Is that where he was raising wheat—with the Bee Publishing Co. in 1902 to 1905? Became editor Nebraska Farmer in 1905; principal owner and publisher, 1908; now president; member, city council, Lincoln, 1908-9. Member, Nebraska House of Representatives, 1911-1913; lieutenant governor, 1913-1915. Governor Nebraska, 1919-1923. Appointed member Federal Farm Board, 1929. Republican; Methodist; Mason; Odd Fellow; Elk; Commercial Club of Lincoln; Chicago Athletic Club; Hamilton Club.

That is the record.

Now, where does the wheat appear? Where does Mr. McKelvie even himself assert that he was ever a farmer

raising any wheat? A promoter, as I shall show before I get through here.

Now, let us see what this great board has done. It is a great board, or should be. It has most remarkable powers and has been endowed with the most remarkable amount of money that any board has ever been given. He says they loaned \$5,000,000 to the cooperatives of South Carolina. Five million out of five hundred million. That is true. I thank them for it. I will say they have loaned it to a deserving institution. As far as the cotton cooperative in South Carolina is concerned it is now a well-regulated, well-managed concern, in which the people of the State have confidence. I am thoroughly acquainted with it. I have my 1930 cotton crop with them to-day, which I put there on the advice of the gentlemen who constitute this board; that cotton was too low and it was foolish to sell it. That is what Legge said. That is all right. I voted for the law and am not attacking it, but I have the right to criticize the administration of it.

They have loaned some to the tobacco cooperative, which has gone out of business. I am sorry it has. Now, let us see what else they did. They employed a gentleman by the name of Creekmore. I do not know where he came from, but they employed him at a salary of \$75,000 a year to manage the cotton business; the same salary that the President of the United States draws. They employed him and authorized him to employ help, and they fixed their salaries. This man fixed them all except his own, and they run from \$35,000 down, and there are many of them. Just glance at these hearings before the committee. In the cotton cooperatives there are eight pages of names, and nobody gets less than a hundred dollars a month and many of them get \$1,250 and \$1,500 a month. That is a most remarkable salary list and there are eight pages of that.

Then they employed a Mr. Milnor to manage the wheat business and they pay him \$50,000 a year.

Mr. HOPE. Will the gentleman yield?

Mr. STEVENSON. I can not yield. My time is limited. They pay Mr. Milnor \$50,000 a year and they pay several of his underlings over \$30,000 a year. It would not do to put them all in one place, so they established two corporations, the Grain Stabilization Corporation and the Farmers' National Grain Corporation, I believe, is the name of the other. Both of them are controlled by the Federal Farm Board. They have a list of officers, and the president of the National Farm Grain Association gets \$15,000 a year. This man Milnor controls both of them. The salary list of the one runs from page 201 to page 204 of these printed hearings, a closely printed list of three pages. The Members of this House should each have a copy of these hearings before the Senate, and they will find what a tremendous lot of statesmen we have who are worth a lot more money than the ordinary business man.

Then from pages 216 to 235 there are 19 pages of closely printed names of people who are holding jobs under this great Mr. Milnor and his coordinates—no; he has no coordinates; he is the biggest man in the world outside of the board. The board has given those two men, one of them to manage the cotton and the other to manage the wheat, \$125,000 a year. That is \$50,000 more than the President of the United States gets. So that when we look at the beginning of it we might imagine we will come out the little end of the horn. Let us see about it.

The stock of grain now on hand. In this volume in their report which they have made to the Government, and which, by the way—

Mr. REED of New York. Will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. REED of New York. I would like to get some information. Who hires these men? The board or the cooperatives?

Mr. STEVENSON. The board hires them. The board hires the head man and he hires the balance.

Mr. REED of New York. For instance, take the man at the head of the cotton cooperative. I know nothing about the cotton business, but does the board pay him?

Mr. STEVENSON. Yes; the board pays him through its agencies, the two corporations it finances, one of which it owns absolutely. He hires the help and those agencies pay them.

Mr. REED of New York. I do not care to differ with the gentleman, because undoubtedly he has looked it up, but it is my impression that the board simply suggests certain men who are capable of handling the business, and if they meet the approval of the cooperatives they engage the men and pay the salaries.

Mr. STEVENSON. I will show the gentleman where he is wrong. [Reads from the hearings before Senate committee, p. 290:]

The CHAIRMAN. Well, all that you control. You are occupying the position of a general manager of one institution and vice president and general manager of the other. You control a quantity of cotton. What do you propose to do with it; and how much money have you borrowed on it? How much have you sold? What is the present situation?

Mr. CREEKMORE. The Cotton Stabilization Corporation is a Delaware corporation consisting of memberships purchased at a nominal price by the various State cooperative associations. It is financed entirely by the Federal Farm Board. It has a board of directors, but the policies of the Cotton Stabilization Corporation, general policies, are directed by the Federal Farm Board. The money we have invested in the Cotton Stabilization Corporation has been received entirely from the Federal Farm Board or borrowed from commercial banks.

Mr. REED of New York. The point I am making is this—and all I want is information—that certain managers are selected to handle these cooperatives and that these salaried men are really the employees of the cooperatives.

Mr. STEVENSON. That is not the testimony, and I will just cut the gentleman off now. I hate to be brusque, but that is not the evidence, as the gentleman will find if he examines the hearings before the Senate committee.

Mr. REED of New York. I did not mean to interrupt the gentleman, but I simply wanted accurate information.

Mr. STEVENSON. The accurate information is that all of these people have testified that the Farm Board names the two headmen and they name the balance, and the Farm Board pays all of them through their agencies.

Mr. HOPKINS. As a loan.

Mr. STEVENSON. As a loan nothing. They pay them out of the funds.

Mr. HOPE. Will the gentleman yield?

Mr. STEVENSON. I will yield one more time.

Mr. HOPE. The gentleman just read from the testimony given before the Senate committee a statement relative to the Cotton Stabilization Corporation which I am afraid the gentleman is confusing with the cotton cooperative associations.

Mr. STEVENSON. No. I have more cotton than McKelvie ever had wheat. I know all about that.

Mr. HOPE. I think if the gentleman will read that more carefully he will find I am correct.

Mr. STEVENSON. Well, I have read it sufficiently carefully to know that I am correct. I will read further from the hearings before the Senate committee (reads from p. 324):

Senator GORE. I say, didn't your cooperatives take over cotton from the Oklahoma cooperatives, paying them 5 cents a pound more than it was worth at the time? In other words, didn't you advance to them 16.34 cents a pound when it was selling around 11 and 12 cents a pound in the market?

Mr. CREEKMORE. Well, I don't believe there was that much difference at any time; but it is admitted that at the time the Cotton Stabilization Corporation took the cotton over from the Oklahoma association it took it over at a materially higher price than existed at the time.

Senator GORE. Now, do you know why that was done?

I want you to notice where the reasons came from.

Senator GORE. I have heard so much talk about it that I should like to know why it was done.

Mr. CREEKMORE. I can give you my reason; but the Federal Farm Board and I have not yet agreed on the exact reason.

They have not yet agreed on the reason, and that is another evidence of the incompetency of the Federal Farm Board. Here a year after the thing was done, which cost the Farm Board millions of dollars, the Federal Farm Board and its agent have not agreed on what excuse they will offer.

They have had nearly a year and yet they have not been able to agree on the same reason, and that is merely an instance I wanted to call to your attention of the inefficiency of the whole set-up.

Now, gentlemen, what do they carry in their assets and liabilities? We find that the Farm Board claims that they have \$118,700,000 invested in cotton.

Mr. REED of New York. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. REED of New York. I just talked with the Federal Farm Board and the gentleman is mistaken. The managers to whom the gentleman has been referring, with the possible exception of one or two, are employed by the cooperatives and paid by them.

Mr. STEVENSON. But it comes out of the funds of the Federal Farm Board.

But the gentleman from New York asserts that the board has nothing to do with these salaries. Let us see what Mr. Stone, of the board, says about it. In reference to Milnor, Senate hearings, pages 21 and 22:

The CHAIRMAN. Mr. Milnor is in charge of the stabilization activities, is he not?

Mr. STONE. He is in charge of the Stabilization Corporation.

The CHAIRMAN. Inasmuch as the Farm Board supplies the funds and is responsible for the management of that corporation, as you have described, you have fixed the salaries of those associated with Mr. Milnor, have you not?

Mr. STONE. We have been consulted about salaries.

The CHAIRMAN. What salary does Mr. Milnor receive?

Also pages 26 and 27 of Senate hearings:

Senator CAPPER. I want to hear something about that salary of \$50,000 a year. How does the Federal Farm Board justify such a salary?

Mr. STONE. In this way, Senator CAPPER: In the beginning, when the Stabilization Corporation was organized, the board was very anxious to get the very best grain man we could to operate it. We found it was a very difficult thing to do. There were several men we had in mind but they turned it down. And we came to the conclusion that for a man who had the capacity and the ability to handle an operation involving possibly hundreds of millions of dollars, it was not so much a question of salary as a question of ability and honesty and integrity. And with a business of that magnitude a salary of that kind is not out of line in industrial operations.

So the board does select the grain man, and the evidence is conclusive that they furnish the money with which the business is conducted by both the Stabilization Corporation and the Farmers' National Grain Corporation, and if these corporations pay the exorbitant salaries they will have the greater deficit to report to the board, and the loss falls directly at last on the revolving fund.

Again, on page 50 and 51 of the hearings, we find the following statement:

Senator GORE. Mr. Stone, when you selected Mr. Milnor as the head of the Stabilization Corporation I believe you said you were more concerned about the matter of ability than salary.

Mr. STONE. Yes.

Senator GORE. Did the Federal Farm Board select Mr. Milnor as the manager of the Stabilization Corporation?

Mr. STONE. They approved his selection.

Senator GORE. Who made the selection in fact?

Mr. STONE. As far as the Stabilization Corporation was concerned, I think the Federal Farm Board selected him. But Mr. Legge was the chairman then.

Senator GORE. What compensation did he get?

Mr. STONE. He got at that time from the Stabilization Corporation, I think, \$36,000. But Mr. Milnor can give you all of the details about that.

Senator GORE. I understand; but I want to ask you a few questions along that line. Then he was paid an additional sum from the Farmers' National Grain Corporation, I believe?

Mr. STONE. Yes; by the Farmers' National Grain Corporation.

Senator GORE. An aggregate of \$50,000?

Mr. STONE. Yes.

Senator GORE. When you came to approve his selection you made no inquiry as to his talents or services, did you?

Mr. STONE. Yes. He was very highly recommended to us by the vice president of one of the largest banking institutions in St. Louis, who is probably one of the ablest grain men in the country.

But they say the Farmers' National Grain Corporation is an independent concern. Hear the facts—page 52 of the hearings:

Senator WHEELER. And the people who furnish the money to the Farmers' National Grain Corporation are whom, for instance? Is that the Federal Farm Board?

Mr. STONE. Largely, I might say.

Senator WHEELER. Not only that, but the Federal Farm Board has likewise loaned to its members large sums of money, to organizations like the Farmers' Union?

Mr. STONE. No; we have only loaned money through the Farmers' National Grain Corporation.

So the Farmers' National Grain Corporation is the agent of the board to loan money, but it gets "largely" all its money from the board, and it is now claimed to be paying Milnor the \$50,000. Either this is coming out of the revolving fund of the board, directly or indirectly, or it is coming out of the farmers whose wheat they handle with the board's approval, for they approve Milnor and his salary, and could shut him off any minute by stopping loans to their agent. In either event they are failing in their duty.

Again they have been speculating in wheat futures, and this Farmers' National Grain Corporation is their agent to buy and sell. See page 262 of the hearings, where it is admitted that the Farmers' National Grain Corporation charged the Stabilization Corporation \$471,000 commissions for handling its future contracts, and bragged that it made in the period \$2,418,300.32. See page 261:

Senator GORE. Now, during that time the Stabilization Corporation lost \$110,000,000.

Mr. MILNOR. Quite right.

Senator GORE. And these corporations are Siamese twins, aren't they?

Mr. MILNOR. No sir.

Senator GORE. You are president and general manager of the Grain Stabilization Corporation, are you not?

Mr. MILNOR. That is right.

Senator GORE. And you are the vice president and general manager of the Farmers' National Grain Corporation?

Mr. MILNOR. That is quite right.

Senator GORE. That is a pretty strong ligament, is it not?

Now, these two corporations were practically owned by the board. No capital had been paid into the stock of the grain stabilization except what the board furnished. Farmers' National had received \$76,000—page 262 of hearings—in cash capital from cooperatives and borrowed \$38,000,000 from the board. The salary of the manager is \$50,000. Eighteen months would take the entire private capital, yet it is so managed that it makes two and one-half millions and the board-owned corporation loses \$110,000,000, and they say the board, who selected the manager and approved his salary, is not responsible for the slice which he gets and the Government does not lose it.

Cotton was handled the same way. A cotton stabilization corporation was absolutely controlled by the Farm Board. They were consulted before Creekmore was employed (p. 288, hearings). The American Cotton Association was the other corporation in the deal. It had a capital stock paid in of \$79,500 (p. 289, hearings), and Creekmore's salary was \$75,000. The Farm Board pays half that salary directly through the Stabilization Corporation and indirectly all of it in its losses. On pages 290 and 291, hearings, we find the following:

The CHAIRMAN. Does the Federal Farm Board, that is, the Stabilization Corporation as its agent, contribute the \$25,000, or is it also sharing in the 5 cents a bale up to the 1,000,000 bales?

Mr. CREEKMORE. It would share the 5 cents a bale up to 1,000,000 bales.

The CHAIRMAN. Then it is a 50-50 proposition with respect to your salary?

Mr. CREEKMORE. It worked out the past year as one-third for the Cotton Stabilization and two-thirds for the American Cotton Cooperative Association. I think perhaps the percentage was a little higher than that.

The CHAIRMAN. That is the cooperative association.

Mr. CREEKMORE. Yes. American Cotton Cooperative Association.

The CHAIRMAN. Of which you are vice president and general manager. What are you attempting to do with your holdings at this time?

Mr. CREEKMORE. With the 2,000,000 or 1,700,000 bales.

The CHAIRMAN. Well, all that you control. You are occupying the position of a general manager of one institution and vice president and general manager of the other. You control a quantity of cotton. What do you propose to do with it and how much money have you borrowed on it? How much have you sold? What is the present situation?

Mr. CREEKMORE. The Cotton Stabilization Corporation is a Delaware corporation consisting of memberships purchased at a nominal price by the various State cooperative associations. It is financed entirely by the Federal Farm Board. It has a board of directors, but the policies of the Cotton Stabilization Corporation, general policies, are directed by the Federal Farm Board. The money we have invested in the Cotton Stabilization Corporation

has been received entirely from the Federal Farm Board or borrowed from commercial banks.

Now, how were the salaries paid? Hear Mr. Creekmore (p. 302):

The CHAIRMAN. Where did you get the money, then, to pay the salaries of these employees if your venture was a losing one?

Mr. CREEKMORE. Under the arrangement we made with the Federal Farm Board last year they agreed to finance the American Cotton Cooperative Association if we would make this 90 per cent loan.

Senator WHEELER. What is the aggregate monthly salary of your organization, the A. C. C. A., as you call it?

Mr. CREEKMORE. The average?

Senator WHEELER. The aggregate.

Mr. CREEKMORE. The aggregate—roughly, I would estimate it to be around \$70,000 a month.

Senator SHIPSTEAD. \$70,000 a month?

Mr. CREEKMORE. Correct.

Senator SHIPSTEAD. That would be a million dollars a year?

Mr. CREEKMORE. Very nearly.

So while they have attempted to camouflage the salary business by mixing it up in two corporations, it was all laid on the doorstep of the Farm Board, who selected the two managers with their enormous salaries, and they in turn selected the other employees and fixed their salaries, and ultimately the Treasury must bear the burden.

Mr. REED of New York. Oh, no; it does not. All that the board can do is recommend.

Mr. YON. Does not the Federal Farm Board provide the money for these stabilization corporations?

Mr. STEVENSON. Yes.

Mr. REED of New York. I have talked with them direct.

[Here the gavel fell.]

Mr. STEVENSON. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes more.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. STEVENSON. Now, gentlemen will see when they look at the hearings that the investment in cotton reported by the Farm Board is \$118,000,000; that they have 1,310,789 bales of cotton at 6 cents, worth \$39,000,000, and leaving a loss of \$79,000,000 in to-day's market; but Mr. Creekmore does not make that same report. Mr. Creekmore reports more indebtedness. If you will refer to Creekmore's report, which is in the hearings, you will find that Mr. Creekmore reports they have \$193,000,000 invested in it instead of \$118,000,000.

To give the gentleman information as to what the Federal Farm Board regards the situation to be, the Grain Stabilization Corporation also owes commercial banks and intermediate credit banks \$83,000,000, in addition to these obligations, and further offsetting its assets of 257,000,000 bushels of wheat. The total invested in wheat stabilization on June 30, 1931, was, therefore, \$248,076,253.57. Final cost of the operation will not be known until the sale of the 257,000,000 bushels of wheat.

This is what the Farm Board says in its own report, and this is the amount that I charge they have invested, and this is the amount that Mr. Milnor represents.

Oh, they want to shift it now to the cooperatives. Who are the cooperatives that are getting all this money? They are the ones created by the Federal Farm Board, and, as the testimony here shows, they are controlled by it. Mr. Creekmore and Mr. Milnor both admit that these matters are all controlled by the Federal Farm Board and that ultimately the expenses come out of the Federal Farm Board, because the cooperatives can not live with this kind of proposition.

Now, gentlemen, I have one or two other things I desire to advert to.

Mr. HOWARD. Will the gentleman yield for a moment?

Mr. STEVENSON. Yes.

Mr. HOWARD. For the special delight of most Nebraskans I would like to ask the gentleman to inject just a little more embalming fluid into the Farm Board corpse of McKelvie. [Laughter and applause.]

Mr. STEVENSON. Yes. I will proceed to that situation. Mr. McKelvie I have already referred to. Mr. McKelvie was a promoter, and in his statement here he says he is not

a member and has not been a member of any cooperative association. Let us get at that:

"I never have had any official connection with any cooperative, but have had membership in one," and so on, and so on.

Now, let us stop a minute and see. We find Mr. McKelvie's activities very largely distributed. I do not usually read these books that are sent around to everybody, but when a man sets out a facsimile of what he is talking about, then I think there is something to it. Mr. McKelvie says he has never been an officer in any cooperative. Let us see about that.

If you will get *Wheat and Politics*, by one Brinton, whom McKelvie introduced here at Washington in very florid terms, as I will show by this book if anybody questions it, you will find with respect to the Nebraska wheat-pool organization headquarters "J. W. Brinton, organization director; Philip W. Bross, campaign manager; Sam R. McKelvie, chairman of advisory committee."

Then we have another "Midwest Grain Marketing Association," which was the other name of the Nebraska wheat pool, "Ernest Peterson, president; L. S. Hurst, secretary; O. M. Smith, general manager; Sam R. McKelvie, chairman advisory committee; A. P. Sprague, legal counsel; T. M. McIlwraith, organization director."

This was the Midwest Grain Marketing Corporation. So he was an officer in it, and not only that, but in organizing it they organized a wheat-finance corporation of \$50,000 with which to get the money to pay the expenses of the organization, and they carried out their contract so miserably that they got \$50,000 of notes from the farmers of Nebraska, and when they began to collect them they had fallen down on their contract absolutely. They, the farmers, went into court, and you will find set out there the complaint in which McKelvie, as one of the defendants, is one of the officers mentioned in the complaint, and the court of Nebraska held that it was a fraud committed on the farmers and enjoined the collection of the notes by the finance corporation. This is what happened to Mr. McKelvie in this particular instance.

Mr. LOZIER. Will the gentleman yield?

Mr. STEVENSON. For just a minute.

Mr. LOZIER. May I say, in support of the gentleman's statement, that the book he has, *Wheat and Politics*, shows the type of men the Federal Farm Board has placed in charge of the stabilization activities of the Union.

Mr. STEVENSON. I commend it to the honest consideration of anybody here.

While Mr. McKelvie was running his newspaper he ran a farmers' protective association, whereby, I believe, for a fee of \$2, he let them join his protective association and gave them a little tag to put up in the front yard to keep out crooks and slickers. You know they call him Slippery Sam out there. Here is the thing that was given to the members of the farmers' protective association, a little brass card to put up in your front yard so that any crook will run away when he sees it.

Now, some of the farmers that went into the McKelvie wheat pool were not satisfied and complained; but that was appealing from Philip drunk to Philip sober.

Now, there is one thing further. The Farm Board loaned a lot of money over McKelvie's signature. Listen to this:

FEDERAL FARM BOARD,
Washington, D. C., October 16, 1929.

Mr. OTIS M. SMITH,
General Manager Midwestern Grain
Marketing Association, Lincoln, Nebr.

MY DEAR OTIS: Your application for a supplemental loan was received Monday and approved Tuesday. By this time our secretary, no doubt, has advised you how to proceed to get the money without delay.

I will be in Lincoln Saturday of this week and hope to see you then.

Very truly yours,

SAMUEL R. MCKELVIE,
Member, Federal Farm Board.

(Mr. STEVENSON reads further from *Wheat and Politics*.)

As pointed out in a letter reproduced elsewhere, some of these farmers considered the 60 cents per bushel which they received for wheat as against an average "farm price" of \$1.07—a differ-

ence of 47 cents per bushel—a sufficient reason for calling upon the McKelvie "protective" organization to protect them. In this letter the "protective" bureau manager appealed to the McKelvie wheat-pool attorney, and recited that a farmer had received only 60 cents per bushel on 2,000 bushels which he had delivered the previous year, and McKelvie's "protective agent" said they were receiving other "letters along this line." "This matter," said the McKelvie representative to the McKelvie attorney, "can not be stayed off any longer. If it is, some action will be started in court."

Instead of McKelvie's protective bureau frankly telling its members who paid for the protective sign in their yards—and who rightly expected protection from the organization—the facts and giving them honest explanations, the agent of the "slippery one" concealed the facts to protect the politician from embarrassment and appealed to the attorney of Mr. McKelvie thus:

"Any suggestion you have to offer that will enable us to answer these people in a way that will explain the situation as satisfactorily as the circumstances will permit will be appreciated."

If that isn't a master plea in "confession and avoidance," we miss our guess.

This letter was written on July 25, 1929, when the McKelvie wheat pool was insolvent, when embezzlements and misappropriations had taken place within it, and when the facts were known to both McKelvie and his "protective agent," who is maintained in the McKelvie publication headquarters for the sole purpose—if that is the purpose of McKelvie's protective bureau—to give the McKelvie subscribers correct and true information and protect them from swindle and fraud.

Now, I am going to close what I have to say. It would take half a day to attend to this bunch.

[Here the gavel fell.]

Mr. STEVENSON. Mr. Speaker, I want five minutes more in order to read one more letter.

Mr. RAINEY. I yield to the gentleman five minutes more.

Mr. STEVENSON. Now, I am going to appeal from the gentleman from Nebraska [Mr. SIMMONS] to a gentleman from Nebraska who lives in the district of the gentleman from Nebraska [Mr. HOWARD]. This letter was published in the Republican, published at Central City, Nebr.:

I am a Federal Farm Board speculator. I trusted to their advice and lost. * * * As a farmer I had great confidence in the Federal Farm Board. I thought with \$500,000,000 and unlimited power they would protect my interests. I was wrong. * * * I gambled on the Federal Farm Board by storing my grain.

I did not wish to crowd my wheat on the market against such advice. I stored it with one of the Federal Farm Board subsidiaries, the Westcentral Grain Co. They advanced me 45 cents for my wheat. In spite of their orderly marketing we heard so much about in the last few years and the promises of the Federal Farm Board, wheat continued to drop in price until the margin I was supposed to have was wiped out.

This is not a notice addressed to an old-time speculator on the board of trade, but to a greenhorn farmer—myself—who really thought the great and mighty Federal Farm Board was going to do my marketing wisely, in my name, for me. I am only one of thousands and thousands they have fooled. In fact, all who followed their advice are in the same unfortunate position. They got me in and then billed me (for \$432.01). * * * Their letters demand the last pound of flesh. * * *

The Federal Farm Board subsidiaries have made their victims pay the price. Professing to be against speculating in grain, the Federal Farm Board advice has been nothing but gambling, with the farmers who listened paying the losses.

The minute a farmer stored his grain with a subsidiary of the Federal Farm Board his grain became subject to charges sufficient to pay a horde of employees and officials, as well as the inevitable cost of warehousing and keeping the product in condition. This, in the face of a down market, rather than the promised raise in price has wiped many a farmer from the picture where he had been a real Federal Farm Board speculator. * * *

AUG. J. WAGNER,
Central City, Nebr.

That is the story of the handling of things out there, and if the Federal Farm Board undertakes to establish an alibi by saying that all these fellows are employed by cooperatives, then I say that the testimony is that these cooperatives that constitute the Grain Stabilization Corporation are controlled by the Grain Stabilization Corporation, and that it is absolutely controlled by the Federal Farm Board, and it is so testified in these hearings, much of which I have set out. Therefore I submit with all deference that I have not done the gentlemen very much injustice by saying that they were incompetent to carry on the duties of their business, because they have lost, according to their own statement, \$200,000,000 to \$300,000,000, in round numbers, and, according to the statement of Mr. Creekmore, \$50,000,000 more than that in their operations at stabilization, for which they and they alone are responsible. [Applause.]

ORDER OF BUSINESS

Mr. RAINEY. Mr. Speaker, I ask that it be in order to move that the House stand in recess until such time to-day as the Speaker calls it together again, the bells to ring 15 minutes in advance of the call by the Speaker.

The SPEAKER. The gentleman from Illinois asks unanimous consent that it may be in order to move that the House shall stand in recess, subject to the call of the Speaker, with the understanding that the bells shall be rung 15 minutes prior thereto. The Chair is informed by the leader of the Senate, Senator WARSON, that they hope to be able to definitely state by 4.30 or 5 o'clock this afternoon whether or not the body will pass the concurrent resolution providing for an adjournment of the House and the Senate until January 4. As a result of that information the gentleman from Illinois [Mr. RAINEY] makes the request he has just announced. If the Senate does not pass the concurrent resolution, then it is the hope of the Chair that the House will give consent for the consideration and passage of a resolution, which the Clerk will report, when the House reconvenes after the recess.

The Clerk read as follows:

Resolved, That from and after this day the House shall meet only on Mondays and Thursdays of each week, until Monday, January 4, 1932.

The SPEAKER. The object of that resolution is that when we meet on Mondays and Thursdays the only thing in order would be a motion to adjourn, so that Members may go home with the assurance that nothing will be done in their absence. In case the Senate does not pass the concurrent resolution, the Chair believes it safe for Members to return to their homes with the assurance there will be no roll call or any business transacted before the 4th day of January.

Mr. SNELL. Mr. Speaker, I am very glad that the Speaker has made that explanation, because I think it should go out to the country so that Members may know what the situation is.

The SPEAKER. There is perfect cooperation between the majority leader and the minority leader in the matter. The Chair can not conceive of any situation that can arise where any business would be transacted. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. McDUFFIE. Mr. Speaker, what the Speaker has reference to is that no business will be transacted in the House.

The SPEAKER. That is correct.

Mr. McDUFFIE. However, several committees will function, as I understand.

The SPEAKER. The committees can work as much as they want to.

Mr. McDUFFIE. And will do so.

The SPEAKER. Certainly; that is a matter for the committees to determine for themselves.

GENERAL DISARMAMENT CONFERENCE, GENEVA

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Affairs and ordered printed.

To the Congress of the United States:

In my message on foreign affairs which was communicated to the Congress on the 10th day of this month I spoke of the invitation which this Government has accepted to participate in the general disarmament conference which is to meet at Geneva on February 2, 1932. I spoke also in that message of the interest of this Government in supporting the efforts of this conference in accordance with the traditional policy of the American Nation to meet with the other nations of the world and to offer its cooperation in any endeavor which has in view the reduction of the huge burdens which result from unnecessarily heavy and costly armaments.

I am transmitting herewith and I commend to the favorable consideration of the Congress a report on the subject from the Secretary of State, in which he requests that

authorization be made for an appropriation to defray the expenses of sending an American delegation to Geneva for the purpose of representing the United States at the conference.

HERBERT HOOVER.

THE WHITE HOUSE, December 22, 1931.

TOM SHINNERS

Mr. SEGER. Mr. Speaker, I ask unanimous consent to extend my remarks by the insertion of the story of the man known as The Sunshine Man, Tom Shinnners, who resides in my district.

The SPEAKER. Is there objection?

Mr. UNDERHILL. Mr. Speaker, I object.

RECESS

Mr. RAINEY. Mr. Speaker, I move that the House now stand in recess.

The motion was agreed to; and (accordingly at 1 o'clock and 6 minutes p. m.) the House stood in recess, subject to the call of the Speaker.

AFTER RECESS

At the expiration of the recess the House was called to order by the Speaker at 11.01 o'clock p. m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 147. Joint resolution to authorize the postponement of amounts payable to the United States from foreign governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933.

The message also announced that the Senate had concurred in House Concurrent Resolution No. 5, providing that when the two Houses adjourn on Tuesday, December 22, 1931, they stand adjourned until 12 o'clock meridian Monday, January 4, 1932.

THE STATE OF THE UNION

Mr. McDUFFIE. Mr. Speaker, the gentleman from Oklahoma, Mr. McKEOWN, was compelled to leave the city this afternoon and asked me to request unanimous consent that he might extend his remarks in the RECORD on the state of the Union, and I now make that request.

The SPEAKER. Is there objection?

There was no objection.

Mr. McKEOWN. Mr. Speaker and gentlemen of the House, for several days gentlemen here have debated the President's message on the state of the Union. In view of the fact that the state of the Union has improved so little since I last spoke on this subject in this House a year ago, I am constrained to again remind the country of the conditions as I see them.

What is the state of the Union?

A land of plenty and poverty.

A land of plutocrats and panics.

A land of big business and bankrupt merchants.

A land of inflated stocks and deflated buyers.

A land of trusts and combinations—chain stores and chained competition.

A land of gushing oil wells with importation of oil and its products increasing daily.

A land of the Federal reserve bank and home of breaking banks.

A land of natural water power controlled by trusts whose stocks are soaked with water.

A land where prohibition prevails and racketeers flourish.

A land blessed by Almighty God and dammed by bootleggers and the godless.

Where farmers fight in vain for a fair chance.

Where wheels of industry have stopped and laboring men wander up and down in search of work.

What has happened so suddenly to change in a decade a happy, prosperous, and contented people into a condition of misery, unrest, and chaos? There is but one answer—unwise and discriminatory laws.

This condition is not the result of "just happened so" or of any particular distressing occurrence. This condition has been long on the way and is the result of years of folly.

When the industrial sections of the Nation were not satisfied with reasonable tariff rates to protect their interests and wholly disregarded the fact that prosperity in America includes the far stretches of the West and South as well as the area of the manufacturing States, they obtained the enactment of the Fordney-McCumber Tariff Act. This afforded the industrial areas a season of apparent prosperity. They apparently cared nothing for the distress of the agricultural group; and imbued with the prospects of worldwide domination of trade, they closed their eyes and ears to the cry of distress from the South and the West.

This attitude of industry led Mr. Coolidge to proclaim in every speech and from the housetops that we were enjoying unparalleled prosperity. This was his platform in 1924.

Speculative citizens, after their run-to in Florida, turned to the greatest of all Monte Carlos, the stock market in Wall Street, and there commenced an amazing debacle. Every sane man knew it could not last.

Whether it be the duty of the White House to warn reckless citizens is not one made so by statute, but it remains that no warning was issued.

The panic in Wall Street can not be said to be responsible for our economic dilemma.

The money was not destroyed in any holocaust of fire or lost in some whim of nature.

In the early days after the war the manufacturers, having become more familiar with our European neighbors, began to prepare to furnish to Europe her needed supplies. Funds to buy with were needed. This was arranged through eager bankers who could exact luscious rates of interest.

The orders came in a deluge.

Manufacturers converted war industries into mass production of goods. To hold this trade, they set in to acquire and invent every possible labor-saving machine with which to reduce the costs of manufacturing and increase their profits.

The laborer and the farmer were left out of the picture. Whenever a labor-saving device was installed and 500 men thereby displaced, the wages of 500 men were saved; but, alas! the machine would not buy a pound of butter nor a yard of cloth.

They saved the cost of the labor of 500 men and likewise lost the buying power of 300 families.

While pandering to European trade, they kept the sales prices at war levels to the consuming public in America. Although by mass production the costs were lowered, yet the retail prices were not immediately cut. When business slackened, they made some reductions, but even to this hour the necessities of life are above the price level of farm products. During the war period agriculture, driven on by the world's demands, expanded tremendously in spite of a dearth of farm labor and its greatly increased costs.

Upon the close of the war the farmers suffered more than their share in the deflation which immediately followed. In order to lower food prices in the great cities and industrial centers, the farmer was sacrificed on the altar of deflation.

He did not have in his pockets the needed money with which to absorb the shock. All America went on a spending orgy for a time, and we lost that element of saving and thrift for which our ancestors were noted.

How different has been the reaction from the World War as compared to the end of the War between the States. The soldiers of the North returned home to bend their efforts to restore their industries and broken fortunes. The followers of Lee went back to Dixie, a land of waste and ashes, to reconstruct a new and better South.

Saving, thrift, and work were magic talismans that brought this Republic to the forefront with the great nations of the earth. What of the state of the Union to-day? Gigantic surpluses of food products and manufactured wearing apparel, and thousands are hungry and nearly naked!

A land of boundless acres of land and thousands of homeless farmers and laborers with no place to lay their heads.

A land of combination and centralization of wealth, where by one transaction you make one millionaire and a million poor. This is a situation brought about by unwise legislation fostered by the party in control of the Government. But to correct the situation calls for the best thought and votes of progressive Americans in both political parties.

The transportation question is here again. The railroads are to be consolidated. The whole rate structure should be revised.

What a situation do we often find in America—delicious fruits and food rotting in orchards or fields in one section and mouths hungry for them in other sections, wholly because of prohibitive freight rates.

The railroads complain that the United States Government is building highways and waterways out of the public fund for busses and boats to use in competition with their privately owned roads. They will not agree for Uncle Sam to run them, and do nothing to meet the competition.

There would be but few bus lines competing to-day had the railroads been willing to furnish shuttle trains and station-to-store delivery. On the other hand, if we do not regulate the tonnage, rates, and sizes of vehicles on highways, we will destroy both our railroads and highways.

The railroads, in a measure, are in the situation of the steamboats on inland waterways when railroads began to build. The Congresses of bygone days permitted the railroads over the outcry and protest of the river boats to parallel the rivers and destroy the steamboats.

We should profit by the errors of the past, and put an end to the constant fighting between transportation agencies, even if we go to the extent of fixing the classes of freight to be hauled by railroads, by busses, by barges, by pipe lines, and by air.

America needs all our methods of transportation, and it was an economic crime when we lost our river transportation.

The railroads are now clamoring for regulation of oil and gas rates by pipe lines.

Why did they not furnish equipment and fair rates to the oil people at the proper time and avoid the pipe-line competition?

America is suffering from high freight rates, and what we need most at this time is not consolidation, but freight classification and conservation of all our transportation methods.

Proscribe the sphere of the activities of each method, make them stop squabbling among themselves, and give the American people service.

The farming industry has been permitted to starve out and is to-day a quarter of a century behind industry in the matter of equipment and method.

We are not going to solve the difficulties of agriculture until we start at the root of the underlying trouble. As long as there are thousands of tenant farmers without land of their own or hope of a home; as long as the tenant farmer because of his dire extremities must pay excessive rates of interest for his supplies and exorbitant tariffs on his purchases; as long as his home and community conditions are such that the bright lights of the near-by towns and cities lure his sons and daughters away from home, so long will farming be a failure.

Cooperative marketing is good for big producers, but the little fellow will never get into the picture.

American business men want to do things on a big scale. Never satisfied to enjoy the better things of life, such as happiness and contentment, they seem to want to gather in a short span of life all the money in the world. Corporation farming and peasant farmers are in the offing. No individual farmer is financially able under present prices to equip his farm with necessary cost-cutting machinery. In Oklahoma, due under the constitution to the wisdom of its makers, corporation farming can not exist.

In view of the doctrine of isolation to which Republican leaders have committed our country in world affairs; first, by rejecting any affiliation with the other nations of the world, which action was approved by several millions of

American voters who in an evil moment failed to foresee the commercial results; and second, by prohibitory tariff rates destructive to trade at home and commerce abroad. We shall now have to turn our attention, in so far as our industries are concerned, to the domestic markets.

Before you can stabilize agricultural products, you must assist the producers in controlling production. You apply control to the other industries, why not agriculture? [Applause.]

This is what must take place in America under the ill-advised and ill-constructed policies that have been inaugurated and put into force in the last 10 years in this country. You may as well make up your minds that you are going to confine all of your business activities to America alone, because, as I said a moment ago, in an evil moment there was a rejection of the association of nations that would have put us in touch with the foreign peoples and kept us in contact with them. But what have we done? In order to add insult to injury we refused to associate with them. We then passed the Fordney-McCumber Tariff Act, which was the highest tariff that was ever passed. Then, in addition to that, we passed this monstrous Hawley-Smoot bill, which absolutely closed the markets for 26 nations of the world to our products.

Why do the cotton farmers of the South propose to raise cotton so that they can sell it abroad at less than it costs to produce it? Do your farmers of the South owe the manufacturers of England that much consideration that your women and your children shall toil in the fields in the hot days of summer to produce cotton and sell it to the manufacturers at less than it costs to produce it? Why do you not favor curtailing production of your cotton to meet domestic demands? Why do the wheat farmers of the West produce wheat and spend their time and energy to produce wheat to be sold to foreigners for less than it costs to produce it in America?

You can control overproduction. You control the production of manufactured articles. You control the production of oil, and yet there is importation of oil into this country every day that is overwhelming the oil business. You are going to destroy the American oil industry. You are going to give the foreign companies control of the American oil industry in this country within the next five years unless you change your policy. If we are going to have home markets, then the farm products must be controlled.

I have introduced a bill, for whatever it is worth, that sets out a plan by which the products of the farm can be controlled to meet domestic demands, and I can not understand why the farmers want to produce these articles and sell them at less than it costs to produce them.

Now, let me call your attention to something else. You may just as well make up your minds that you have either to pass an old-age pension bill in the Congress of the United States or you must close the Pension Office of the United States for 10 years on labor-saving devices. Where are you going to gain when you put a labor-saving device in by which you supplant thousands of men and not only lose both the labor of those men but the purchasing power of those men to buy your products?

One thing I am thankful for is that while my amendment to require one year's extension on all past-due installments due Federal land banks failed by a few votes, we have shown the temper of a large number of Congressmen on that vote, and I am advised that foreclosures will for a time cease.

It is hoped that Congress will at this session dispose of the soldiers' bonus matter at least to the extent of repealing the interest charges against the veterans on their loans.

My prayer for the state of the Union is a speedy return to prosperity.

ENROLLED BILLS SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 147. A joint resolution to authorize the postponement of amounts payable to the United States from foreign

governments during the fiscal year 1932, and their repayment over a 10-year period beginning July 1, 1933.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 930. An act limiting the operation of sections 109 and 113 of the Criminal Code with respect to counsel in the case of the Appalachian Electric Power Co. v. George Otis Smith, et al.

ADJOURNMENT

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 3 minutes p. m.), pursuant to House Concurrent Resolution No. 5, the House adjourned until January 4, 1932, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

324. A letter from the chairman of the United States Tariff Commission, transmitting report of an investigation made by the United States Tariff Commission relative to the cost of production of crude petroleum, fuel oil, gasoline, and lubricating oils, etc., produced in the United States (H. Doc. No. 195); to the Committee on Ways and Means and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERWOOD: Committee on Invalid Pensions. H. R. 6596. A bill granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; without amendment (Rept. No. 14). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 536) granting an increase of pension to Belle Brown; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 1114) granting a pension to Armina E. Smith; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 1963) granting a pension to William A. Powers; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2386) granting a pension to Alexander Lane; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2401) granting a pension to Wilson Branch Cook; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2484) granting a pension to Rose M. Young; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2569) granting a pension to Mathilda H. Byrnes; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 2637) granting an increase of pension to Emma W. Rice; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BANKHEAD: A bill (H. R. 6577) providing for a site and public building for post office and other Federal purposes at Russellville, Ala.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6578) providing for a site and public building for post office and other Federal purposes at Fayette, Ala.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6579) to provide for the purchase of a site and the erection of a building thereon, at Carbon Hill, in the State of Alabama; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 6580) providing for a site and public building for post office and other Federal purposes at Haleyville, Ala.; to the Committee on Public Buildings and Grounds.

By Mr. CARLEY: A bill (H. R. 6581) to amend the national prohibition act; to the Committee on the Judiciary.

By Mr. COLTON: A bill (H. R. 6582) to provide for the compromise and settlement of claims held by the United States of America arising under the provisions of section 210 of the transportation act, 1920, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. HADLEY: A bill (H. R. 6583) to amend paragraph 1798 of the tariff act of 1930; to the Committee on Ways and Means.

By Mr. HASTINGS: A bill (H. R. 6584) to provide for the immediate redemption of World War adjusted-service certificates with bonds of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. KENDALL: A bill (H. R. 6585) to protect American labor and industry from competition of products of convict, forced, and indentured labor; to the Committee on Ways and Means.

By Mr. NELSON of Maine: A bill (H. R. 6586) for the conservation of lobsters, to regulate interstate transportation of lobsters, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. OLIVER of Alabama: A bill (H. R. 6587) to provide for the commemoration of the Battle of Tuscaloosa, in the State of Alabama; to the Committee on Military Affairs.

Also, a bill (H. R. 6588) to provide for the commemoration of Fort Tombechee, in the State of Alabama; to the Committee on Military Affairs.

By Mr. SCHNEIDER: A bill (H. R. 6589) to promote the public health and to encourage the dairy industry in the interest of the general welfare; to the Committee on Agriculture.

By Mr. THOMASON: A bill (H. R. 6590) to provide for reimbursement of certain cotton farmers for expenses incurred in fumigating cotton; to the Committee on Agriculture.

By Mr. WILSON: A bill (H. R. 6591) to amend the act approved May 15, 1928, entitled "An act for the control of floods on the Mississippi River and its tributaries, and for other purposes"; to the Committee on Flood Control.

By Mr. GASQUE: A bill (H. R. 6592) to permit an increase in the length of leaves of absence, with pay, for members of the Metropolitan police, the United States park police, and the fire department of the District of Columbia; to the Committee on the District of Columbia.

By Mr. LUDLOW: A bill (H. R. 6593) to decrease the interest rate on adjusted compensation loans, and to remove the 2-year time limit; to the Committee on Ways and Means.

Also, a bill (H. R. 6594) to authorize the erection of a 150-bed addition to the United States Veterans' Administration hospital at Indianapolis, Ind.; to the Committee on World War Veterans' Legislation.

By Mrs. NORTON of New Jersey: A bill (H. R. 6595) to provide old-age securities for persons over 60 years of age residing in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. UNDERWOOD: A bill (H. R. 6596) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; committed to the Committee of the Whole House.

By Mr. DICKSTEIN: A bill (H. R. 6597) to permit naturalization of certain Filipinos who have served in the United States Army; to the Committee on Immigration and Naturalization.

By Mr. VINSON of Georgia: A bill (H. R. 6598) to authorize the appointment of a board of arbitrators to determine royalties on torpedoes; to the Committee on Naval Affairs.

Also, a bill (H. R. 6599) to amend the act entitled "An act to authorize the construction and procurement of aircraft and aircraft equipment in the Navy and Marine Corps, and to adjust and define the status of the operating personnel in connection therewith," approved June 24, 1926, with reference to the number of enlisted pilots in the Navy; to the Committee on Naval Affairs.

By Mr. WHITE: A bill (H. R. 6600) to amend the World War veterans' act, 1924, as amended, by providing allowances for widows and children and dependent parents of veterans of the World War; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 6601) to authorize the distribution of cereal grains for relief purposes; to the Committee on Agriculture.

By Mr. LINTHICUM: Joint resolution (H. J. Res. 163) to provide an appropriation for expenses of participation by the United States in a general disarmament conference to be held in Geneva in 1932; to the Committee on Foreign Affairs.

By Mr. MCGUGIN: Joint resolution (H. J. Res. 164) pertaining to unemployment and proposing certain remedial steps; to the Committee on Labor.

By Mr. SOMERS of New York: Concurrent resolution (H. Con. Res. 7) providing for the equitable division of hours of employment during the present business depression; to the Committee on Labor.

By Mr. JOHNSON of Washington: A bill (H. R. 6657) to authorize the purchase of an electric generating, transmission, and distribution system in the Mount Rainier National Park, and for other purposes; to the Committee on the Public Lands.

By Mr. MARTIN of Oregon: A bill (H. R. 6658) to create a bureau of welfare of the blind in the Department of Labor, to provide for the issuing of licenses to blind persons to operate stands in Federal buildings, and for other purposes; to the Committee on Labor.

By Mr. FRENCH: A bill (H. R. 6659) for the inclusion of certain lands in the Coeur d'Alene and St. Joe National Forests, State of Idaho, and for other purposes; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADKINS: A bill (H. R. 6602) granting an increase of pension to Mary V. Maxwell; to the Committee on Invalid Pensions.

By Mr. AMLIE: A bill (H. R. 6603) granting an increase of pension to Annie E. Shannon; to the Committee on Invalid Pensions.

By Mr. BUTLER: A bill (H. R. 6604) granting a pension to Charles C. Low; to the Committee on Pensions.

Also, a bill (H. R. 6605) granting a pension to John W. Dollarhide; to the Committee on Pensions.

By Mr. CARDEN: A bill (H. R. 6606) granting a pension to Alfred Daugherty; to the Committee on Invalid Pensions.

By Mr. CLARKE of New York: A bill (H. R. 6607) granting a pension to Lillie Brinkerhoff; to the Committee on Invalid Pensions.

By Mr. COLLINS: A bill (H. R. 6608) for the relief of N. D. Brookshire; to the Committee on Claims.

Also, a bill (H. R. 6609) for the relief of Bradley R. Boughton; to the Committee on Claims.

By Mr. EVANS of Montana: A bill (H. R. 6610) to provide for the addition of the names of certain persons to the final roll of the Indians of the Flathead Indian Reservation, Mont., and for other purposes; to the Committee on Indian Affairs.

By Mr. FINLEY: A bill (H. R. 6611) granting an increase of pension to Rhoda Ellis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6612) granting an increase of pension to George Roberts; to the Committee on Pensions.

By Mr. FULMER: A bill (H. R. 6613) granting an increase of pension to Charlie R. Saylor; to the Committee on Pensions.

Also, a bill (H. R. 6614) granting a pension to Thomas Grimsley; to the Committee on Pensions.

By Mr. GRISWOLD: A bill (H. R. 6615) granting a pension to Margaret E. Stephens; to the Committee on Invalid Pensions.

By Mr. GUYER: A bill (H. R. 6616) granting a pension to Willanna Green; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6617) granting an increase of pension to Henrietta B. Banks; to the Committee on Invalid Pensions.

By Mr. HARE: A bill (H. R. 6618) for the relief of Lissie Maud Green; to the Committee on Claims.

By Mr. HOGG of West Virginia: A bill (H. R. 6619) granting back pay to William J. Bell on account of pension allowance heretofore made; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6620) granting a pension to Mary Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6621) granting an increase of pension to Amanda Gregg (with accompanying papers); to the Committee on Invalid Pensions.

Also, a bill (H. R. 6622) granting an increase of pension to Agnes Ireland (with accompanying papers); to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 6623) for the relief of Minnie D. Hines; to the Committee on Claims.

Also, a bill (H. R. 6624) granting an increase of pension to Sarah J. Shepard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6625) granting an increase of pension to Elizabeth Hahn; to the Committee on Invalid Pensions.

By Mr. HERR: A bill (H. R. 6626) authorizing the appointment and retirement as a major, United States Army, of Harold L. Coffin; to the Committee on Military Affairs.

By Mr. JENKINS: A bill (H. R. 6627) granting an increase of pension to Phebe A. Fife; to the Committee on Invalid Pensions.

By Mr. JOHNSON of Illinois: A bill (H. R. 6628) granting an increase of pension to Elizabeth Snyder; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 6629) for the relief of Patrick O'Brien; to the Committee on Naval Affairs.

By Mr. KENDALL: A bill (H. R. 6630) granting an increase of pension to Roxalina Davis; to the Committee on Invalid Pensions.

By Mr. LANKFORD of Virginia: A bill (H. R. 6631) to reimburse certain individuals for damages by reason of loss of oyster rights in Little Bay, Va., due to the taking of the same by the United States for the purpose of operating thereon a naval air training station; to the Committee on Claims.

By Mr. MAPES: A bill (H. R. 6632) granting a pension to Orange E. Sink; to the Committee on Pensions.

Also, a bill (H. R. 6633) granting an increase of pension to Sarah W. McPherson; to the Committee on Invalid Pensions.

By Mr. MONTAGUE: A bill (H. R. 6634) for the relief of Vertner Tate; to the Committee on Claims.

By Mr. NELSON of Wisconsin: A bill (H. R. 6635) granting an increase of pension to Kate Walker; to the Committee on Invalid Pensions.

By Mr. NORTON of Nebraska: A bill (H. R. 6636) granting an increase of pension to Catharine Kechely; to the Committee on Invalid Pensions.

By Mr. OLIVER of Alabama: A bill (H. R. 6637) authorizing the President to present a medal of honor to Richmond Pearson Hobson; to the Committee on Naval Affairs.

By Mr. PURNELL: A bill (H. R. 6638) granting an increase of pension to Athelia P. Land; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 6639) granting an increase of pension to Julia Burk; to the Committee on Invalid Pensions.

By Mr. SANDERS of New York: A bill (H. R. 6640) granting an increase of pension to Laura Y. Olmsted; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 6641) granting an increase of pension to Delia M. Allen; to the Committee on Invalid

Pensions.

By Mr. SNELL: A bill (H. R. 6642) granting an increase of pension to Sarah A. Bulluck; to the Committee on Invalid Pensions.

By Mr. SUMNERS of Texas: A bill (H. R. 6643) for the relief of Joe E. DeAndrea; to the Committee on Military Affairs.

Also, a bill (H. R. 6644) for the relief of William A. Lipscomb; to the Committee on Military Affairs.

By Mr. SUTPHIN: A bill (H. R. 6645) granting an increase of pension to Katherine Garrison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 6646) for the relief of James Luker, sr.; to the Committee on Claims.

By Mr. SWANK: A bill (H. R. 6647) granting an increase of pension to Dora Abshier; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 6648) for the relief of John W. Green; to the Committee on Military Affairs.

By Mr. OLIVER of Alabama: A bill (H. R. 6649) for the relief of Mrs. Tonnie Smith Young; to the Committee on Claims.

By Mr. THOMASON: A bill (H. R. 6650) authorizing the William Robert Smith Memorial Association, of El Paso, Tex., to construct a memorial in honor of William Robert Smith, former Member of Congress from the sixteenth district of Texas; to the Committee on Irrigation and Reclamation.

Also, a bill (H. R. 6651) granting a pension to Presley B. Bradley; to the Committee on Pensions.

By Mr. WEST: A bill (H. R. 6652) granting an increase of pension to Margaret V. Myers; to the Committee on Invalid Pensions.

By Mr. MARTIN of Oregon: A bill (H. R. 6653) granting an increase of pension to Lucy Lee Thomas; to the Committee on Pensions.

By Mr. SWING: A bill (H. R. 6654) for the relief of Jordan Young; to the Committee on Claims.

Also, a bill (H. R. 6655) granting a pension to Edward Lewis Searl, 3d; to the Committee on Pensions.

Also, a bill (H. R. 6656) for the relief of James Jones; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

192. Petition of Speers Sand & Clay Works (Inc.) for the impeachment of his honor, Judge John J. Parker, United States Circuit Court of Appeals of the Fourth Circuit; to the Committee on the Judiciary.

193. By Mr. BRUNNER: Resolution of the Rego Park Community and Civic Club (Inc.), Elmhurst, Long Island, N. Y., urging the United States Congress to enact some form of unemployment insurance; to the Committee on the Judiciary.

194. By Mr. CHAPMAN: Petition of National Association for Legislated Regulation of Busses and Trucks (Inc.), general office, Paris, Ky., calling attention to the perils confronting the railroads through unjust competition and calling upon Congress for protection; to the Committee on Interstate and Foreign Commerce.

195. By Mr. HORNOR: Memorial of the Business Men's Club, of Rainelle and Meadow Bluff district, West Virginia, indorsing the proposal to establish a system of mortgage-discount banks; to the Committee on Banking and Currency.

196. By Mr. HERR: Petition of the Esther Reed Chapter, of the Daughters of the American Revolution, Spokane, Wash., requesting the maintenance of an Army and Navy which can adequately protect our country and in opposition to the participation of the United States in the World Court or League of Nations; to the Committee on Foreign Affairs.

197. By Mr. RUDD: Petition of Scovell, Wellington & Co., accountants-engineers, New York City, opposing retroactive income-tax legislation; to the Committee on Ways and Means.